EXHIBIT “B”

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	)	Chapter 11
QHB HOLDINGS LLC, et al.,[1]	)	Case No. 09-14312 ( )
	)	Jointly Administered
Debtors.	)	

FINAL ORDER PURSUANT TO 11 U.S.C. §§ 105, 361, 362, 363 AND 364 AND RULES 2002, 4001 AND 9014 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE (1) AUTHORIZING INCURRENCE BY THE DEBTORS OF POST-PETITION SECURED INDEBTEDNESS WITH PRIORITY OVER ALL SECURED INDEBTEDNESS AND WITH ADMINISTRATIVE SUPERPRIORITY, (2) GRANTING LIENS, (3) AUTHORIZING USE OF CASH COLLATERAL BY THE DEBTORS PURSUANT TO 11 U.S.C. § 363, (4) PROVIDING FOR ADEQUATE PROTECTION AND (5) MODIFYING THE AUTOMATIC STAY

THIS MATTER having come before this Court upon the motion (the "Motion") by QHB Holdings LLC and its affiliated debtors, each as debtors and debtors in possession (collectively, the "Debtors"), in the above captioned chapter 11 cases (collectively, the "Cases"), seeking, among other things, entry of a final order (this "Final Order") authorizing the Debtors to:

(i) Obtain credit and incur debt, pursuant to sections 363, 364(c) and 364(d) of the Bankruptcy Code, on a final basis, up to the aggregate committed amount of $20,000,000 (of which up to $5,000,000 will be available for letters of credit) secured by first priority, valid, priming, perfected and enforceable liens (as defined in section 101(37) of title 11 of the United States Code, as amended (the "Bankruptcy Code")), subject to the Carve Out and Existing Senior

[1] The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: Generation Brands Holdings, Inc. (0247), Quality Home Brands Holdings LLC (0532), QHB Holdings LLC (0554), Generation Brands LLC (1825), Murray Feiss Import LLC (0556), Locust GP LLC (0565), LPC Management, L.L.C. (3596), Light Process Company, L.P. (2730), Sea Gull Lighting Products LLC (8003), Woodco LLC (1169), Tech L Enterprises, Inc. (7690), Tech Lighting L.L.C. (2152), LBL Lighting LLC (1784), and Tech L Holdings, Inc. (0613).

Liens (as each of those terms is defined herein), on property of the Debtors' estates pursuant to sections 364(c)(2), 364(c)(3) and 364(d) of the Bankruptcy Code, and with priority as administrative expenses, as provided in section 364(c)(1) of the Bankruptcy Code, subject to the terms and conditions contained herein;

(ii) (a) Establish a secured superpriority post-petition financing arrangement (the "DIP Facility") pursuant to (I) that certain Superpriority Secured Debtor-In-Possession Credit Agreement (as amended, modified, or supplemented in accordance with the terms of this Final Order, the "DIP Credit Agreement"),[2] substantially in the form filed of record in the Cases, by and among, Quality Home Brands Holdings LLC, a Delaware limited liability company (the "Borrower"), QHB Holdings LLC ("QHB Holdings") and those Subsidiaries of the Borrower that are parties to the DIP Credit Agreement as guarantors (collectively, the "Guarantors"), BNP Paribas, (the "DIP Agent"), and the lenders party thereto (the "DIP Lenders," collectively with the DIP Agent, the "DIP Secured Parties"), and (II) all other agreements, documents, notes, certificates, and instruments executed and/or delivered with, to, or in favor of the DIP Secured Parties, including, without limitation, security agreements, pledge agreements, engagement agreements, fee letters, notes, guaranties, mortgages, and Uniform Commercial Code ("UCC") financing statements and all other related agreements, documents, notes, certificates, and instruments executed and/or delivered in connection therewith or related thereto (collectively, as may be amended, modified or supplemented and in effect from time to time, and together with the DIP Credit Agreement, the "DIP Financing Agreements"); and (b) incur the "Obligations" under and as defined in the DIP Credit Agreement (collectively, the "DIP Obligations");

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2 Capitalized terms used in this Final Order but not defined herein shall have the meanings ascribed to such terms in the DIP Credit Agreement, a copy of which is attached hereto as Exhibit "A."

(iii) Authorize the use of the proceeds of the DIP Facility in each case in a manner consistent with the terms and conditions of the DIP Financing Agreements, and in accordance with the Approved Budget (as defined below), upon entry of this Final Order solely (a) to permanently reduce and repay the Pre-Petition Revolving Loans (as defined below) then outstanding under the Pre-Petition First Lien Facility, (b) to fund the Cases, (c) to pay fees and expenses associated with the DIP Facility, and (d) for working capital and other corporate purposes of the Borrower.

(iv) Grant, pursuant to sections 364(c)(2), 364(c)(3) and 364(d) of the Bankruptcy Code, to the DIP Agent (for the benefit of the DIP Secured Parties) first priority priming, valid, perfected and enforceable liens, subject only to the Carve Out and the Existing Senior Liens, upon substantially all of the Debtors' real and personal property as provided in and as contemplated by this Final Order, the DIP Facility and the DIP Financing Agreements;

(v) Grant, pursuant to section 364(c)(1) of the Bankruptcy Code, to the DIP Agent (for the benefit of the DIP Secured Parties) superpriority administrative claim status in respect of all DIP Obligations, subject to the Carve Out as provided herein;

(vi) Authorize the use of "cash collateral" as such term is defined in section 363 of the Bankruptcy Code (the "Cash Collateral"), in which the Pre-Petition Secured Parties (as defined below) have an interest;

(vii) Grant to the Pre-Petition Agents (for the benefit of the Pre-Petition Secured Parties) (as defined below) the Adequate Protection Replacement Liens and the Adequate Protection Superpriority Claims (each as defined below) to the extent of any Diminution in Value (as defined below) and having the priorities set forth in this Final Order, as

adequate protection for the granting of the DIP Liens (as defined below) to the DIP Agent, the use of Cash Collateral, and for the imposition of the automatic stay;

(viii) Modify the automatic stay imposed by section 362 of the Bankruptcy Code to the extent necessary to implement and effectuate the terms and provisions of the DIP Financing Agreements and this Final Order; and

(ix) Waive any applicable stay (including under Rule 6004 of the Federal Rules of Bankruptcy Procedure) and provide for immediate effectiveness of this Final Order.

The Bankruptcy Court having considered the Motion, the Affidavit of Daniel S. Macsherry in Support of First Day Motions and Applications (the "First Day Affidavit"), the DIP Facility and the DIP Credit Agreement, and the evidence submitted at the interim hearing on the Motion held on December ___, 2009 (the "Interim Hearing") and at the hearing on this Final Order held on December ___, 2009 (the "Final Hearing"); and the Bankruptcy Court having entered an interim order on December ___, 2009 authorizing the Debtors' use of Cash Collateral and granting adequate protection to the Pre-Petition Secured Parties (the "Interim Order"); and in accordance with Rules 2002, 4001(b), (c), and (d), and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and the local rules of the Bankruptcy Court (the "Local Rules"), due and proper notice of the Motion and the Final Hearing having been given; a Final Hearing having been held and concluded on December ___, 2009; and it appearing that approval of the relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtors and otherwise is fair and reasonable and in the best interests of the Debtors, their creditors, their estates and their equity holders, and is essential for the continued operation of the Debtors' business; and it further appearing that the Debtors are unable to obtain (i) unsecured credit for money borrowed allowable as an administrative expense under Bankruptcy Code

section 503(b)(1), (ii) credit for money borrowed with priority over any or all administrative expenses of the kind specified in Bankruptcy Code sections 503(b) or 507(b), (iii) credit for money borrowed secured solely by a Lien on property of the estate that is not otherwise subject to a Lien, or (iv) credit for money borrowed secured by a junior Lien on property of the estate which is subject to a Lien; and there being adequate protection of the interests of holders of Liens on the property of the estates on which Liens are to be granted; and all objections, if any, to the entry of this Final Order having been withdrawn, resolved or overruled by this Court; and after due deliberation and consideration, and for good and sufficient cause appearing therefor:

BASED UPON THE RECORD ESTABLISHED AT THE INTERIM HEARING AND THE FINAL HEARING, THE COURT HEREBY MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:

A. **Petition Date.** On December 4, 2009 (the "Petition Date"), the Debtors filed voluntary petitions under chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the District of Delaware (the "Court"). The Debtors have continued in the management and operation of their business and property as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in the Cases.

B. **Jurisdiction and Venue.** This Court has jurisdiction over these proceedings, pursuant to 28 U.S.C. §§ 157(b) and 1334, and over the persons and property affected hereby. Consideration of the Motion constitutes a core proceeding under 28 U.S.C. § 157(b)(2). Venue for the Cases and proceedings on the Motion is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

C. **Interim Order.** Based upon the Motion, the First Day Affidavit and the evidence submitted by the Debtors at the Interim Hearing, the Bankruptcy Court approved the Debtors' use of Cash Collateral and granting of adequate protection pending the Final Hearing on the Motion. Pursuant to the Interim Order, the Final Hearing was conducted on December ___, 2009.

D. **Notice.** The Final Hearing has been held pursuant to the authorization of Bankruptcy Rule 4001 and Local Rule 4001-2. Notice of the Final Hearing and the relief requested in the Motion has been provided by the Debtors, whether by telecopy, email, overnight courier or hand delivery on December ___, 2009, to certain parties in interest, including: the Pre-Petition Agents (as defined below) and their counsel, counsel to Apollo Investment Corporation, the Debtors' 30 largest unsecured creditors on a consolidated basis (including counsel if known), all parties requesting notices pursuant to Rule 2002 of the Federal Rules of Bankruptcy Procedure, counsel for any official committee(s), the Office of the United States Trustee, the Internal Revenue Service, counsel to the proposed DIP Agent, and the Securities and Exchange Commission. Such notice of the Final Hearing and the relief requested in the Motion is due and sufficient notice and complies with sections 102(1), 363(c), 364(c) and 364(d) of the Bankruptcy Code, Bankruptcy Rules 2002, 4001(c), 4001(d) and the local rules of the Bankruptcy Court.

E. **Debtors' Acknowledgements and Agreements.** The Debtors admit, stipulate, acknowledge and agree that:

(i) **Pre-Petition Financing Agreements**. Prior to the commencement of the Cases, certain of the Debtors were party to (A) that certain First Lien Credit Agreement, dated as of June 20, 2006, (as amended, the "Pre-Petition First Lien Facility"), which provided for, among other things, certain revolving loans (the "Pre-Petition Revolving Loans") and other extension of credit, by and among the Borrower, QHB Holdings, the lenders party thereto (the "First Lien Lenders"), BNP Paribas, as successor administrative agent and collateral agent (in such capacities, the "First Lien Agent," and together with the First Lien Lenders, the "Pre-Petition First Lien Secured Parties"), and (B) that certain Second Lien Credit Agreement, dated as of June 20, 2006, (as amended, the "Pre-Petition Second Lien Facility," and together with the Pre-Petition First Lien Facility, the "Pre-Petition Facilities") by and among the Borrower, QHB Holdings, the lenders party thereto (the "Second Lien Lenders" and together with the Pre-Petition First Lien Secured Parties, the "Pre-Petition Secured Parties"), and The Bank of New York, as successor administrative agent and collateral agent (together with the First Lien Agent, the "Pre-Petition Agents"), (C) that certain Intercreditor Agreement, dated as of June 20, 2006 (the "Intercreditor Agreement") by and among the Borrower and the Pre-Petition Agents and (D) all other agreements, documents, notes,

certificates, and instruments executed and/or delivered with, to, or in favor of Pre-Petition Secured Parties, including, without limitation, security agreements, guaranties, and UCC financing statements and all other related agreements, documents, notes, certificates, and instruments executed and/or delivered in connection therewith or related thereto (collectively, as amended, modified or supplemented and in effect, and together with the Pre-Petition First Lien Facility, the Pre-Petition Second Lien Facility and the Intercreditor Agreement, the "Pre-Petition Financing Agreements").

(ii) **Pre-Petition Debt Amount**. As of the Petition Date, the Debtors were indebted under the Pre-Petition Financing Agreements in the approximate principal amount of (a) approximately $231.1 million on account of outstanding term loans, plus approximately $8.2 million on account of outstanding Pre-Petition Revolving Loans, under the Pre-Petition First Lien Facility (excluding certain interest and other charges that continue to accrue) (the "Pre-Petition First Lien Debt"); (b) approximately $101.2 million on account of term loans outstanding under the Pre-Petition Second Lien Facility (together with the Pre-Petition First Lien Debt, the "Pre-Petition Secured Debt"); and (c) approximately $54.7 million (including accrued and unpaid interest) on account of amounts outstanding under the Senior Notes (as defined in the Motion).

(iii) **Pre-Petition Collateral**. To secure the Pre-Petition Secured Debt, the Debtors granted security interests and liens (the "Pre-Petition Liens") to the Pre-Petition Secured Parties, to the fullest extent described in the Pre-Petition Financing Agreements, upon (a) all Accounts; (b) all Chattel Paper; (c) all Deposit Accounts; (d) all Documents; (e) all Equipment (whether or not constituting Fixtures); (f) all General Intangibles; (g) all Instruments; (h) all Intellectual Property, to the extent of each Grantor's right, title or interest therein (except for "intent-to-use" applications for trademark or service mark registrations filed pursuant to Section 1(b) of the Lanham Act, 15 U.S.C. § 1051, unless and until an Amendment to Allege Use or a Statement of Use under Sections 1(c) and 1(d) of said Act has been filed); (i) all Inventory; (j) all Investment Property; (k) all Letter-of-Credit Rights; (l) all Money; (m) all Vehicles and certificates of title with respect to Vehicles; (n) all Commercial Tort Claims; (o) all Capital Stock (other than any Capital Stock in excess of 65% of the total outstanding Capital Stock of any Excluded Foreign Subsidiary), Goods, insurance and other personal property not otherwise described above; (p) all Supporting Obligations and products of any and all of the foregoing and all Guarantee Obligations, Liens and claims supporting, securing or in any respect relating to any of the foregoing; (q) all books and records (regardless of medium) pertaining to any of the foregoing; and (r) all existing mortgages and interests in real property, and (s) all Proceeds of any of the foregoing (each as defined in the Pre-Petition Financing Agreements) (collectively, the "Pre-Petition Collateral"), with priority over all other liens except any liens which are valid, properly perfected, unavoidable, and senior to the Pre-Petition Liens (the "Priority Liens").

(iv) **Pre-Petition Liens**. (a) As of the Petition Date, the Debtors believe that (i) the Pre-Petition Liens are valid, binding, and enforceable liens, subject only to any Priority Liens and are not subject to avoidance, recharacterization or subordination pursuant to the Bankruptcy Code or applicable non-bankruptcy law, (ii) the Pre-Petition Secured Debt constitutes legal, valid and binding obligations of the Debtors, enforceable in accordance with the terms of the Pre-Petition Financing Agreements (other than in respect of the stay of enforcement arising from section 362 of the Bankruptcy Code), no offsets, defenses or counterclaims to any of the Pre-Petition Secured Debt exists, and no portion of the Pre-Petition Secured Debt is subject to avoidance, recharacterization or subordination pursuant to the Bankruptcy Code or applicable non-bankruptcy law, and (iii) the Pre-Petition Secured Debt constitutes allowable claims, secured to the extent of the value of any applicable collateral, and (b) on the date that the Interim Order was entered (and confirmed by the entry of this Final Order), each Debtor has waived, discharged and released the Pre-Petition Secured Parties, together with their affiliates, agents, attorneys, officers, directors and employees, of any right any Debtor may have (x) to challenge or object to any of the Pre-Petition Secured Debt, (y) to challenge or object to the security for the Pre-Petition Secured Debt, and (z) to bring or pursue any and all claims, objections, challenges, causes of action and/or choses in action arising out of, based upon or related to the Pre-Petition Financing Agreements or otherwise.

The Debtors do not possess and will not assert any claim, counterclaim, setoff or defense of any kind, nature or description which would in any way affect the validity, enforceability and non-avoidability of any of the Pre-Petition Financing Agreements or the Pre-Petition Liens, or any claim of the Pre-Petition Secured Parties pursuant to the Pre-Petition Financing Agreements.

(v) **Cash Collateral.** The Pre-Petition Secured Parties have a security interest in certain of the Cash Collateral, including all amounts on deposit in the Debtors' banking, checking, or other deposit accounts and all proceeds of Pre-Petition Collateral, to secure the Pre-Petition Secured Debt and, respectively, to the same extent and order of priority as that which was held by such party pre-petition.

(vi) **Priming of DIP Facility**. In entering into the DIP Financing Agreements, and as consideration therefor, the Debtors agree that until such time as all DIP Obligations are fully satisfied in accordance with the terms of the DIP Credit Agreement, including payment of DIP Obligations in full in cash or, in the case of certain letters of credit issued pursuant to the DIP Credit Agreement, the treatment specified in the DIP Credit Agreement (or other arrangements for payment or other treatment of either the DIP Obligations or letters of credit (including under the Exit Loan Documents) of the DIP Obligations satisfactory to the DIP Agent have been made) and the DIP Financing Agreements are terminated in accordance with the terms thereof, the Debtors shall not in any way prime or seek to prime the security interests and DIP Liens provided to the DIP Secured Parties under this Final Order, as applicable, by offering a subsequent

lender or a party-in-interest a senior or *pari passu* lien or claim pursuant to section 364(d) of the Bankruptcy Code or otherwise.

F. **Findings Regarding the Post-Petition Financing.**

(i) **Need for Post-Petition Financing.** An immediate need exists for the Debtors to obtain funds from the DIP Facility in order to continue operations and to administer and preserve the value of their estates. The ability of the Debtors to finance their operations, to preserve and maintain the value of their assets and maximize a return for all creditors requires the availability of working capital from the DIP Facility, the absence of which would immediately and irreparably harm the Debtors, their estates, their creditors and equity holders and the possibility for a successful reorganization or sale of the Debtors' assets as a going concern or otherwise.

(ii) **No Credit Available on More Favorable Terms.** The Debtors have been unable to obtain (A) unsecured credit allowable under Bankruptcy Code section 503(b)(1) as an administrative expense, (B) credit for money borrowed with priority over any or all administrative expenses of the kind specified in Bankruptcy Code sections 503(b) or 507(b), (C) credit for money borrowed secured solely by a Lien on property of the estate that is not otherwise subject to a Lien, or (D) credit for money borrowed secured by a junior Lien on property of the estate which is subject to a Lien, in each case, on more favorable terms and conditions than those provided in the DIP Credit Agreement and this Final Order. The Debtors are unable to obtain credit for borrowed money without granting to the DIP Secured Parties the DIP Liens and the DIP Superpriority Claims.

(iii) **Prior Liens.** Nothing in this Final Order shall constitute a finding or ruling by this Court that any Pre-Petition Liens or Existing Senior Liens are valid, senior, perfected and unavoidable. Moreover, nothing shall prejudice (A) the rights of any party in

interest including, but not limited to, the Debtors, the DIP Secured Parties and any committee appointed pursuant to section 1102 of the Bankruptcy Code to challenge the validity, priority, perfection and extent of any Existing Senior Liens or the value of the Pre-Petition Collateral, or (B) the rights of any committee appointed pursuant to section 1102 of the Bankruptcy Code or such other party with standing to do so to challenge the validity, priority, perfection and extent of the Pre-Petition Liens as set forth in this Final Order.

G. **Section 506(c) Waiver.** As a further condition of the DIP Facility and any obligation of the DIP Secured Parties to make credit extensions pursuant to the DIP Financing Agreements, the Debtors (and any successors thereto or any representatives thereof, including any trustees appointed in the Cases or upon the conversion of any of the Cases to a case under Chapter 7 of the Bankruptcy Code or in any other proceedings related to the Cases (any "Successor Cases")) shall be deemed to have waived any rights or benefits of section 506(c) of the Bankruptcy Code.

H. **Use of Proceeds of the DIP Facility.** Proceeds of the DIP Facility shall be used, in each case in a manner consistent with the terms and conditions of the DIP Credit Agreement, and in accordance with the Approved Budget, solely (a) to permanently reduce and repay the Pre-Petition Revolving Loans then outstanding, (b) to fund the Cases, (c) to pay fees and expenses associated with the DIP Facility, and (d) for working capital and other corporate purposes of the Borrower.

I. **Application of Proceeds of DIP Collateral to Pre-Petition Secured Debt**. Payment of certain of the Pre-Petition First Lien Debt in accordance with this Final Order is necessary as the Pre-Petition Secured Parties will not otherwise consent to the priming of the Pre-Petition Liens.

J. **Adequate Protection for Pre-Petition Secured Parties.** As a result of the grant of the DIP Liens, subordination to the Carve Out (as defined below), and the use of Cash Collateral authorized herein, the Pre-Petition Secured Parties are entitled to receive adequate protection pursuant to sections 361, 362, 363 and 364 of the Bankruptcy Code for any diminution in the value ("Diminution in Value") of their respective interests in the Pre-Petition Collateral (including Cash Collateral) resulting therefrom and from the imposition of the automatic stay or the Debtors' use, sale or lease of the Pre-Petition Collateral (including Cash Collateral) during the Cases. As adequate protection, the Pre-Petition Agents (for the benefit of the Pre-Petition Secured Parties) will receive, as the case may be: (1) the Adequate Protection Replacement Liens, (2) the Adequate Protection Superpriority Claims, and (3) the Adequate Protection Payments (as defined below).

K. **Section 552.** In light of their agreement to subordinate their liens and superpriority claims (i) to the Carve Out in the case of the DIP Secured Parties, and (ii) to the Carve Out and the DIP Liens in the case of the Pre-Petition Secured Parties, the DIP Secured Parties and the Pre-Petition Secured Parties are each entitled to all of the rights and benefits of section 552(b) of the Bankruptcy Code and the "equities of the case" exception shall not apply.

L. **Extension of Financing.** The DIP Secured Parties have indicated a willingness to provide financing to the Debtors in accordance with the DIP Credit Agreement and subject to (i) the entry of this Final Order, and (ii) findings by this Court that such financing is essential to the Debtors' estate, that the DIP Secured Parties are good faith financiers, and that the DIP Secured Parties' claims, superpriority claims, security interests and liens and other protections granted pursuant to this Final Order and the DIP Facility will not be affected by any subsequent reversal,

modification, vacatur or amendment of this Final Order or any other order, as provided in section 364(e) of the Bankruptcy Code.

M. **Business Judgment and Good Faith Pursuant to Section 364(e).** The terms and conditions of the DIP Facility and the DIP Credit Agreement, and the fees paid and to be paid thereunder are fair, reasonable, and the best available under the circumstances, reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties, and are supported by reasonably equivalent value and consideration; the DIP Facility was negotiated in good faith and at arms' length among the Debtors and the DIP Secured Parties, and use of the proceeds to be extended under the DIP Facility will be so extended in good faith, and for valid business purposes and uses, as a consequence of which the DIP Secured Parties are entitled to the protection and benefits of section 364(e) of the Bankruptcy Code.

N. **Relief Essential; Best Interest.** The relief requested in the Motion (and as provided in the Interim Order and in this Final Order) is necessary, essential, and appropriate for the continued operation of the Debtors' business and the management and preservation of the Debtors' assets and personal property. It is in the best interest of Debtors' estates that the Debtors be allowed to use the Cash Collateral and establish the DIP Facility contemplated by the DIP Credit Agreement.

O. **Entry of Final Order.** For the reasons stated above, the Debtors have requested immediate entry of this Final Order pursuant to Bankruptcy Rule 4001(b)(2) and (c)(2).

NOW, THEREFORE, on the Motion of the Debtors and the record before this Court with respect to the Motion, and with the consent of the Debtors, the First Lien Agent on behalf of the Pre-Petition First Lien Secured Parties, and the DIP Secured Parties to the form and entry of this Final Order, and good and sufficient cause appearing therefor,

IT IS ORDERED that:

1. **Motion Granted.** The Motion is granted in accordance with the terms and conditions set forth in this Final Order and the DIP Credit Agreement.

2. **DIP Financing Agreements.**

(a) **Approval of Entry Into DIP Financing Agreements.** The DIP Financing Agreements, as modified by this Final Order, are hereby approved on a final basis. The Debtors are expressly and immediately authorized and empowered to execute and deliver the DIP Financing Agreements (to the extent not previously executed or delivered) on a final basis to incur and to perform the DIP Obligations in accordance with, and subject to, the terms of this Final Order and the DIP Financing Agreements, and to execute and deliver all instruments, certificates, agreements and documents which may be required or necessary for the performance by the Debtors under the DIP Facility and the creation and perfection of the DIP Liens described in and provided for by this Final Order and the DIP Financing Agreements. The Debtors are hereby authorized and empowered to do and perform all acts, pay the principal, interest, fees, expenses and other amounts described in the DIP Credit Agreement and all other DIP Financing Agreements as such become due, including, without limitation, closing fees, administrative fees, restructuring fees, commitment fees, agency fees, letter of credit fees and reasonable attorneys', financial advisors' and accountants' fees and disbursements as provided for in the DIP Credit Agreement which amounts shall not otherwise be subject to approval of this Court. The DIP Financing Agreements represent valid and binding obligations of the Debtors enforceable against the Debtors in accordance with their terms.

(b) **Authorization to Borrow.** To enable the Debtors to continue to operate their business, subject to the terms and conditions of this Final Order, the DIP Credit

Agreement, the other DIP Financing Agreements, and the Approved Budget, the Debtors are hereby authorized under the DIP Facility to borrow up to a total committed amount of $20,000,000 (including up to $5,000,000 for the issuance of letters of credit) in accordance with the terms and conditions of the DIP Credit Agreement.

(c) **Application of DIP Proceeds.** The proceeds of the DIP Facility shall be used, in each case in a manner consistent with the terms and conditions of the DIP Financing Agreements, and in accordance with the Approved Budget solely (i) to repay the Pre-Petition Revolving Loans then outstanding, (ii) to fund the Cases, (iii) to pay fees and expenses associated with the DIP Facility, and (iv) for working capital and other corporate purposes of the Borrower.

(d) **Conditions Precedent.** The DIP Secured Parties shall have no obligation to make any loan or advance under the DIP Credit Agreement unless the conditions precedent to making such loan under the DIP Credit Agreement have been satisfied in full or waived in accordance with the DIP Credit Agreement.

(e) **Enforceable Obligations.** The DIP Financing Agreements shall constitute and evidence the valid and binding obligations of the Debtors, which obligations shall be enforceable against the Debtors, their estates and any successors thereto, in accordance with their terms.

(f) **Protection of DIP Secured Parties and Other Rights.** From and after the Petition Date, the Debtors shall use the proceeds of the extensions of credit under the DIP Facility only for the purposes specifically set forth in the DIP Credit Agreement, this Final Order, and in compliance with the Approved Budget.

3. **DIP Superpriority Claims.**

(a) Pursuant to section 364(c)(1) of the Bankruptcy Code, all of the DIP Obligations shall constitute allowed claims against the Debtors with priority over any and all administrative expenses, including the Adequate Protection Superpriority 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), 506(c), 507(a), 507(b), 726, 1113 or 1114 of the Bankruptcy Code (the "DIP Superpriority Claims"), whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy or attachment, which allowed claims shall be payable from and have recourse to all DIP Collateral (as defined below) and all proceeds thereof, subject only to the payment of the Carve Out to the extent specifically provided for herein.

(b) For purposes hereof, "Carve Out" means, on and after delivery of notice by the DIP Agent to the Borrower that an Event of Default (as defined in the DIP Credit Agreement) has occurred and the DIP Lenders desire to trigger the Carve Out (a "Carve Out Trigger Notice"), the payment of allowed and unpaid professional fees and disbursements incurred by the Borrower and the Guarantors on or after the date of delivery of the Carve Out Trigger Notice in an aggregate amount not in excess of $500,000 plus the amount of unpaid professional fees and expenses incurred by the Borrower and the Guarantors and any statutory committees appointed in the Cases prior to the date of delivery of the Carve Out Trigger Notice and the payment of fees pursuant to 28 U.S.C. § 1930; provided that no portion of the Carve Out shall be utilized for the payment of professional fees and disbursements incurred in connection

with any challenge to the amount, extent, priority, validity, perfection or enforcement of the Indebtedness of the Borrower and the Guarantors owing to the Lenders, the Agents or indemnified parties under the DIP Credit Agreement or to the DIP Collateral. The DIP Lenders agree that so long as no Event of Default (as defined in the DIP Credit Agreement) shall have occurred and be continuing, the Borrower and the Guarantors shall be permitted to pay compensation and reimbursement of expenses allowed and payable under 11 U.S.C. § 330 and 11 U.S.C. § 331, as the same may be due and payable, and the same shall not reduce the Carve Out. The foregoing shall not be construed as a consent to the allowance of any fees and expenses referred to above and shall not affect the right of the Agents and the Lenders to object to the allowance and payment of such amounts.

4. **DIP Liens.** As security for the DIP Obligations, effective and perfected upon the date of this Final Order and without the necessity of the execution, recordation or filing by the Debtors of security agreements, control agreements, pledge agreements, mortgages, financing statements or other similar documents, the following security interests in and liens are hereby granted to the DIP Lenders (all such liens and security interests granted to the DIP Lenders, pursuant to this Final Order and the DIP Facility, the "DIP Liens"), subject, in all cases, only upon delivery of a Carve Out Trigger Notice, to the payment of the Carve Out, on all pre-petition and post-petition assets and property of the Debtors, whether existing on the Petition Date or thereafter acquired, including, without limitation, accounts, deposit accounts, cash, chattel paper, investment property, letter-of-credit rights, securities accounts, commercial tort claims, investments, instruments, documents, inventory, contract rights, general intangibles, intellectual property, real property, fixtures, goods, equipment and other fixed assets and proceeds and products of all of the foregoing (including insurance proceeds) (all such property

being collectively referred to as the "DIP Collateral"); provided, however, that in no event shall the Obligations be secured by (nor shall the DIP Collateral include) any pledge in excess of 65% of the total outstanding Capital Stock of any Excluded Foreign Subsidiary (if adverse tax consequences could result to the Debtors), or any avoidance actions under chapter 5 of the Bankruptcy Code (including, for the avoidance of doubt, under any similar state law by use of the strong arm powers of section 544 of the Bankruptcy Code) or the proceeds thereof:

(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 senior security interest in and lien upon all DIP Collateral that, on or as of the Petition Date was not subject to valid, perfected, enforceable and non-avoidable liens.

(b) **Liens Priming Pre-Petition Secured Parties' Liens**. Pursuant to section 364(d)(1) of the Bankruptcy Code, a valid, binding, continuing, enforceable, fully-perfected first priority senior priming security interest in and lien upon all DIP Collateral that is subject to the Pre-Petition Liens. Such security interests and Liens shall be senior in all respects to any current or future liens of the Pre-Petition Secured Parties on any DIP Collateral and any Liens that are junior thereto, including any Liens granted on or after the Petition Date to provide adequate protection in respect of the Pre-Petition Facilities.

(c) **Liens Junior to Certain Other Liens.** Pursuant to section 364(c)(3) of the Bankruptcy Code, valid, binding, continuing, enforceable, fully-perfected security interests in and liens upon all DIP Collateral (other than the DIP Collateral described in clauses (a) or (b) of this paragraph 4, as to which the liens and security interests in favor of the DIP Lenders will be as described in such clauses), that was subject to valid and perfected liens in existence on the Petition Date that were permitted by the Pre-Petition First Lien Facility and are

senior to the Pre-Petition Liens under applicable law, or to valid liens in existence on the Petition Date or perfected thereafter as permitted by section 546(b) of the Bankruptcy Code, if any (in each case, other than liens securing the Pre-Petition First Lien Facility and the Pre-Petition Second Lien Facility) (the "Existing Senior Liens"), which security interests and liens in favor of the DIP Lenders are junior to such valid, perfected and unavoidable liens.

(d) **Liens Senior to Certain Other Liens**. The DIP Liens and the Adequate Protection Replacement 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 including, without limitation, any liens or security interests granted in favor of any federal, state, municipal or other governmental unit, commission, board or court for any liability of any Debtor, or (ii) subordinated to or made *pari passu* with any other lien or security interest under section 364 of the Bankruptcy Code or otherwise.

5. **Authorization to Continue to Use Cash Collateral.** Pursuant to the terms and conditions of this Final Order (and subject to the Debtors' rights under paragraph 17 hereof), and in accordance with the budget attached to the DIP Credit Agreement (as the same may be modified, supplemented, or updated from time to time consistent with the terms of the DIP Credit Agreement, the "Approved Budget"), each Debtor is authorized to use Cash Collateral until (i) a DIP Order Event of Default (as defined below) has occurred and is continuing, (ii) the occurrence of the Commitment Termination Date (as defined below), or (iii) the termination of the DIP Facility pursuant to the DIP Credit Agreement.

6. **Authorization to Use Proceeds of DIP Financing Agreement.** Pursuant to the terms and conditions of this Final Order (and subject to the Debtors' rights under

paragraph 17 hereof), the DIP Facility and the DIP Credit Agreement, and in accordance with the Approved Budget, each Debtor is authorized to use the advances under the DIP Credit Agreement during the period commencing immediately after the entry of this Final Order until (i) a DIP Order Event of Default has occurred and is continuing, (ii) the occurrence of the Commitment Termination Date, or (iii) termination of the DIP Facility pursuant to the DIP Credit Agreement. Nothing in this Final Order shall authorize the disposition of any assets of the Debtors or their estates outside the ordinary course of business or other proceeds resulting therefrom, except as permitted in the DIP Facility and the DIP Credit Agreement and in accordance with the Approved Budget.

7. **Adequate Protection for Pre-Petition Secured Parties.** As adequate protection for any Diminution in Value of the interests of the Pre-Petition Secured Parties in the Pre-Petition Collateral (including Cash Collateral), the Pre-Petition Secured Parties shall receive, as the case may be, adequate protection as follows:

(a) **Adequate Protection Replacement Liens.** Solely to the extent of the Diminution in Value of the interests of the Pre-Petition Secured Parties in the Pre-Petition Collateral, the Pre-Petition Secured Parties shall have, subject to the terms and conditions set forth below, pursuant to sections 361, 363(e) and 364(d) of the Bankruptcy Code additional and replacement security interests in and liens on the DIP Collateral (the "Adequate Protection Replacement Liens") which shall be junior only to the DIP Liens, the Existing Senior Liens, and the Carve Out as provided herein. The Adequate Protection Replacement Liens of the Pre-Petition First Lien Secured Parties shall be senior and prior to the Adequate Protection Replacement Liens in respect of the Pre-Petition Secured Parties under the Pre-Petition Second Lien Facility.

(b) **Adequate Protection Superpriority Claims.** Solely to the extent of the Diminution in Value of the interests of the Pre-Petition Secured Parties in the Pre-Petition Collateral, the Pre-Petition Secured Parties shall have allowed superpriority administrative expense claims (the "Adequate Protection Superpriority Claims") which shall have priority, except with respect to (a) the DIP Liens, (b) the DIP Superpriority Claims, (c) Existing Senior Liens, and (d) the Carve Out, in all of the Cases under sections 364(c)(1), 503(b) and 507(b) of the Bankruptcy Code and otherwise over all administrative expense claims and unsecured claims against the Debtors and their estates, now existing or hereafter arising, of any kind or nature whatsoever including, without limitation, administrative expenses of the kinds specified in or ordered pursuant to sections 105, 326, 328, 330, 331, 503(a), 503(b), 506(c), 507(a), 507(b), 546(c), 546(d), 552, 726, 1113, and 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. Payment of the Adequate Protection Superpriority Claims granted to the First Lien Agent for the benefit of the Pre-Petition First Lien Secured Parties shall have priority over the Adequate Protection Superpriority Claims granted in respect of the Pre-Petition Second Lien Facility. Other than the DIP Liens, the DIP Superpriority Claims, and the Carve Out, no costs or expenses of administration, including, without limitation, professional fees allowed and payable under Bankruptcy Code sections 328, 330, and 331, or otherwise, that have been or may be incurred in these proceedings, or in any Successor Cases, and no priority claims are, or will be, senior to, prior to or on a parity with the Adequate Protection Superpriority Claims. The Adequate Protection Superpriority Claims granted to the Pre-Petition Secured Parties may be impaired pursuant to a Plan with the vote of sufficient holders of such claims that satisfies the requirements of section 1126 of the Bankruptcy Code.

(c) **Adequate Protection Payments.** The Pre-Petition First Lien Secured Parties shall also receive adequate protection in the form of (i) repayment of the Pre-Petition Revolving Loans and (ii) interest payments under the Pre-Petition First Lien Facility at the non-default rate (including any LIBOR pricing option) and on the non-default interest payment dates specified in the Pre-Petition First Lien Facility (collectively, the "Adequate Protection Payments").

(d) **Adequate Protection Upon Sale of Collateral.** Upon the sale of any Pre-Petition Collateral pursuant to section 363 of the Bankruptcy Code, any such Pre-Petition Collateral shall be sold free and clear of the Pre-Petition Liens and the Adequate Protection Replacement Liens, provided, however, that such Pre-Petition Liens shall attach to the proceeds of any such sale in the order, manner, and priority as set forth in this Final Order and the DIP Credit Agreement.

8. **Section 507(b) Reservation.** Nothing herein shall impair or modify the Pre-Petition Secured Parties' rights under section 507(b) of the Bankruptcy Code in the event that the adequate protection provided to the Pre-Petition Secured Parties hereunder is insufficient to compensate for the Diminution in Value of the interests of the Pre-Petition Secured Parties in the Pre-Petition Collateral during the Cases or any Successor Case, provided, however, that any section 507(b) claim granted in the Cases to the Pre-Petition Secured Parties shall be junior in right of payment to all DIP Obligations and subject to the Carve Out.

9. **Post-Petition Lien Perfection.** This Final Order shall be sufficient and conclusive evidence of the validity, perfection, and priority of the DIP Liens and the Adequate Protection Replacement Liens without the necessity of filing or recording any financing statement, deed of trust, mortgage, or other instrument or document which may otherwise be

required under the law of any jurisdiction or the taking of any other action (including, for the avoidance of doubt, entering into any deposit account control agreement or securities account control agreement) to validate or perfect the DIP Liens and the Adequate Protection Replacement Liens or to entitle the DIP Liens and the Adequate Protection Replacement Liens to the priorities granted herein. Notwithstanding the foregoing, the DIP Agent and the First Lien Agent may, in their sole discretion, file such financing statements, mortgages, security agreements, notices of liens and other similar documents, and are hereby granted relief from the automatic stay of section 362 of the Bankruptcy Code in order to do so, and all such financing statements, mortgages, security agreements, notices and other agreements or documents shall be deemed to have been filed or recorded at the time and on the date of the commencement of the Cases. The Debtors shall execute and deliver to the DIP Agent and the First Lien Agent all such financing statements, mortgages, notices and other documents as the DIP Agent and the First Lien Agent may reasonably request to evidence, confirm, validate or perfect, or to insure the contemplated priority of, the DIP Liens and the Adequate Protection Replacement Liens granted pursuant hereto. The DIP Agent, in its discretion, may file a photocopy of this Final Order as a financing statement with any recording officer designated to file financing statements or with any registry of deeds or similar office in any jurisdiction in which any Debtor has real or personal property, and in such event, the subject filing or recording officer shall be authorized to file or record such copy of this Final Order. The DIP Agent shall, in addition to the rights granted to it under the DIP Financing Agreement, be deemed to be the successor in interest to the Pre-Petition Secured Parties with respect to all third party notifications in connection with the Pre-Petition Financing Agreements, all Pre-Petition Collateral access agreements and all other agreements with third parties relating to, or waiving claims against, any Pre-Petition Collateral,

including without limitation, each collateral access agreement duly executed and delivered by any landlord of the Debtors and including, for the avoidance of doubt, all deposit account control agreements, securities account control agreements, and credit card agreements, provided, that the Pre-Petition Agents shall continue to have all rights pursuant to each of the foregoing.

10. **Payment of Compensation.** Nothing herein shall be construed as consent to the allowance of any professional fees or expenses of any of the Debtors, of any official committee or of any person or shall affect the right of the DIP Secured Parties or the First Lien Agent to object to the allowance and payment of such fees and expenses or to permit the Debtors to pay any such amounts not set forth in the Approved Budget.

11. **Section 506(c) Claims.** Nothing contained in this Final Order shall be deemed a consent by the Pre-Petition Secured Parties or the DIP Secured Parties to any charge, lien, assessment or claim against the DIP Collateral, the Pre-Petition Collateral, or the Adequate Protection Replacement Liens under section 506(c) of the Bankruptcy Code or otherwise.

12. **Collateral Rights.** Unless the DIP Agent has provided its prior written consent or all DIP Obligations have been paid in full in cash (or will be paid in full in cash upon entry of an order approving indebtedness described in subparagraph (a) below), all commitments to lend have terminated, and all Letters of Credit have been secured as required by the DIP Credit Agreement, there shall not be entered in these proceedings, or in any Successor Case, any order which authorizes any of the following:

(a) Except as permitted in the DIP Credit Agreement, the obtaining of credit or the incurring of indebtedness that is secured by a security, mortgage, or collateral interest or other lien on all or any portion of the DIP Collateral, or the Adequate Protection

Replacement Liens and/or entitled to priority administrative status which is equal or senior to those granted to the DIP Secured Parties or the Pre-Petition Secured Parties; or

(b) relief from stay by any person other than the DIP Secured Parties on all or any portion of the DIP Collateral upon which the DIP Secured Parties have been granted a first priority senior priming security interest pursuant to this Final Order and the DIP Credit Agreement, except as permitted in the DIP Credit Agreement; or

(c) the Debtors' return of goods constituting DIP Collateral pursuant to section 546(h) of the Bankruptcy Code, except as permitted in the DIP Credit Agreement.

13. **Proceeds of Subsequent Financing.** Without limiting the provisions and protections of paragraph 12 above, if at any time prior to the repayment in full (or other arrangements for payment or other treatment that is satisfactory to the DIP Agent, including under the Exit Loan Documents) of all DIP Obligations and the termination of the DIP Secured Parties' obligations to make loans and advances under the DIP Facility, including subsequent to the confirmation of any chapter 11 plan or plans (the "Plan") with respect to the Debtors, the Debtors' estates, any trustee, any examiner with enlarged powers or any responsible officer subsequently appointed, shall obtain credit or incur debt pursuant to Bankruptcy Code sections 364(b), 364(c) or 364(d) in violation of the DIP Credit Agreement, then all of the cash proceeds derived from such credit or debt shall immediately be turned over to the DIP Agent in reduction of the DIP Obligations until paid and satisfied in full in cash.

14. **Commitment Termination Date**. Subject only to the Debtors' rights under paragraph 17 of this Final Order, all (a) DIP Obligations shall be immediately due and payable, and (b) authority to use the proceeds of the DIP Financing Agreements and to use Cash Collateral shall cease on the earlier of (i) the date that is 90 days after the Closing Date, (ii) the

date upon which the sale of substantially all of the Debtors' assets is consummated, or (iii) the date of the acceleration of the Loans and the termination of the Commitments as provided in the DIP Facility (the "Commitment Termination Date").

15. **Disposition of Collateral**. The Debtors shall not, prior to payment and/or satisfaction in full of the DIP Obligations, (a) sell, transfer, lease, encumber or otherwise dispose of any portion of the DIP Collateral, without the prior written consent of the requisite DIP Secured Parties required under the DIP Credit Agreement (and no such consent shall be implied, from any other action, inaction or acquiescence by the DIP Secured Parties or an order of this Court), except for sales of the Debtors' inventory in the ordinary course of business or except as otherwise provided for in the DIP Credit Agreement and this Final Order and approved by the Bankruptcy Court, or (b) assume, reject or assign any Lease without the prior consultation with the DIP Agent, except as otherwise provided for in the DIP Credit Agreement.

16. **Events of Default**. The occurrence of any Event of Default (as defined in the DIP Credit Agreement, subject to any notice and cure periods required by the DIP Credit Agreement) shall constitute a DIP Order Event of Default (a "DIP Order Event of Default"). Unless and until the DIP Obligations (other than contingent obligations not then due and owing) are irrevocably repaid in full, all commitments to lend have irrevocably terminated, and all Letters of Credit have been cash collateralized as required by the DIP Credit Agreement, the protections afforded to the Pre-Petition Secured Parties and the DIP Secured Parties pursuant to this Final Order and under the DIP Credit Agreement, and any actions taken pursuant thereto, shall survive the entry of any order confirming a Plan or converting these Cases into a Successor Case, and the DIP Liens, the DIP Superpriority Claims, the Adequate Protection Replacement Liens and the Adequate Protection Superpriority Claims shall continue in these proceedings and

in any Successor Case, and such DIP Liens, DIP Superpriority Claims, Adequate Protection Replacement Liens, and the Adequate Protection Superpriority Claims shall maintain their respective priorities as provided by this Final Order.

17. **Rights and Remedies Upon DIP Order Event of Default**.

(a) Any automatic stay otherwise applicable to the DIP Secured Parties is hereby modified so that after the occurrence and during the continuation of any DIP Order Event of Default, at any time thereafter upon five (5) business days prior written notice of such occurrence, in each case given to the Debtors, counsel to the Debtors, counsel for any statutory committee appointed in the Cases, if any, and the U.S. Trustee, the DIP Secured Parties shall be entitled to exercise their rights and remedies in accordance with the DIP Financing Agreements. Immediately following the giving of written notice by the DIP Agent of the occurrence of a DIP Order Event of Default: (i) the Debtors shall continue to deliver and cause the delivery of the proceeds of DIP Collateral to the DIP Agent as provided in the DIP Credit Agreement and this Final Order; (ii) the DIP Agent shall continue to apply such proceeds in accordance with the provisions of this Final Order and of the DIP Credit Agreement; (iii) the Debtors shall have no right to use any of such proceeds, nor any other Cash Collateral other than towards the satisfaction of the Pre-Petition Secured Debt and DIP Obligations and the Carve Out; and (iv) any obligation otherwise imposed on the DIP Agent or the DIP Secured Parties to provide any loan or advance to the Debtors pursuant to the DIP Facility shall be suspended. Following the giving of written notice by the DIP Agent of the occurrence of a DIP Order Event of Default, the Debtors shall be entitled to an emergency hearing before this Court solely for the purpose of contesting whether a DIP Order Event of Default has occurred. The Debtors and the DIP Agent shall reasonably cooperate to conduct such an emergency hearing within the five (5)

business days following the delivery of notice of the occurrence of a DIP Order Event of Default, or such other period as the Court will permit. Notwithstanding anything to the contrary set forth herein, the Debtors shall have the right to make an expedited motion with the Court that seeks the Debtors' right to continue to utilize Cash Collateral until a final determination regarding whether a DIP Order Event of Default has occurred.

(b) Subject in all respects to the provisions of Paragraph 17(a), upon the occurrence of a DIP Order Event of Default, and upon any notice required by the DIP Credit Agreement, the DIP Agent and DIP Lenders are authorized to exercise their remedies and proceed under or pursuant to the DIP Financing Agreements. All proceeds realized from any of the foregoing shall be turned over to the DIP Agent for application, first to the Carve Out, and then to the DIP Obligations and the Pre-Petition Secured Debt under, and in accordance with the provisions of, the DIP Financing Agreements, the Pre-Petition Financing Agreements and this Final Order.

(c) The automatic stay imposed under Bankruptcy Code section 362(a) is hereby modified pursuant to the terms of the DIP Credit Agreement as necessary to (1) permit the Debtors to grant the Adequate Protection Replacement Liens and the DIP Liens and to incur all liabilities and obligations to the Pre-Petition Secured Parties, the DIP Lenders under the DIP Financing Agreements, the DIP Facility and this Final Order, and (2) authorize the DIP Lenders and the Pre-Petition Secured Parties to retain and apply payments hereunder.

(d) Nothing included herein shall prejudice, impair, or otherwise affect the Pre-Petition Secured Parties' or DIP Secured Parties' rights to seek any other or supplemental relief in respect of the Debtors, or the DIP Agent's or DIP Lenders' rights, as provided in the

DIP Credit Agreement, to suspend or terminate the making of loans under the DIP Credit Agreement.

18. **Proofs of Claim.** The Pre-Petition Secured Parties and the DIP Secured Parties will not be required to file proofs of claim in the Cases or in any Successor Case.

19. **Right of Access and Information.** The Debtors shall permit representatives, agents, and/or employees of the DIP Agent to have reasonable access to their premises and their records during normal business hours (without unreasonable interference to the proper operation of the Debtors' businesses) and shall cooperate, consult with, and provide to such persons all such non-privileged information as they may reasonably request.

20. **Other Rights and Obligations**.

(a) **Good Faith Under Section 364(e) of the Bankruptcy Code; No Modification or Stay of this Final Order.** The DIP Agent and the DIP Lenders each have acted in good faith in connection with this Final Order and their reliance on this Final Order is in good faith. Based on the findings set forth in this Final Order and in accordance with section 364(e) of the Bankruptcy Code, which is applicable to the DIP Facility contemplated by this Final Order, in the event any or all of the provisions of this Final Order are hereafter modified, amended or vacated by a subsequent order of this or any other Court, the DIP Secured Parties are entitled to the protections provided in section 364(e) of the Bankruptcy Code and, no appeal, modification, amendment or vacation shall affect the validity and enforceability of any advances made hereunder or the liens or priority authorized or created hereby. Notwithstanding any such modification, amendment or vacation, any claim granted to the DIP Secured Parties hereunder arising prior to the effective date of such modification, amendment or vacation of any DIP Liens or DIP Superpriority Claims granted to the DIP Secured Parties shall be governed in all respects

by the original provisions of this Final Order, and the DIP Secured Parties shall be entitled to all of the rights, remedies, privileges and benefits, including the DIP Liens and DIP Superpriority Claims granted herein, with respect to any such claim. Since the loans made pursuant to the DIP Credit Agreement are made in reliance on this Final Order, the obligations owed the DIP Secured Parties prior to the effective date of any stay, modification or vacation of this Final Order shall not, as a result of any subsequent order in the Cases or in any Successor Cases, be subordinated, lose their lien priority or superpriority administrative expense claim status, or be deprived of the benefit of the status of the liens and claims granted to the DIP Secured Parties under this Final Order and/or the DIP Financing Agreements.

(b) **Expenses.** As provided in the DIP Financing Agreements and subject to the limitations set forth therein, all reasonable costs and out-of-pocket expenses of the DIP Secured Parties in connection with the DIP Financing Agreements, including, without limitation, reasonable legal, accounting, collateral examination, monitoring and appraisal fees, financial advisory fees, fees and expenses of other consultants, indemnification and reimbursement of fees and expenses, and other out of pocket expenses will be paid by the Debtors, whether or not the transactions contemplated hereby are consummated. Payment of such fees shall not be subject to allowance by the Bankruptcy Court. Under no circumstances shall professionals for the DIP Secured Parties or First Lien Agent be required to comply with the U.S. Trustee fee guidelines, but shall provide reasonably detailed statements (redacted if necessary for privileged, confidential, or otherwise sensitive information) to the Office of the U.S. Trustee and the Debtors.

(c) **Binding Effect.** The provisions of this Final Order shall be binding upon and inure to the benefit of the DIP Secured Parties and the Pre-Petition Secured Parties, the

Debtors, and their respective successors and assigns (including any trustee or other fiduciary hereinafter appointed as a legal representative of the Debtors or with respect to the property of the estates of the Debtors) whether in the Cases, in any Successor Cases, or upon dismissal of any such case or successor case.

(d) **No Waiver.** The failure of the Pre-Petition Secured Parties and the DIP Secured Parties to seek relief or otherwise exercise their rights and remedies under the DIP Financing Agreements, the DIP Facility, the Interim Order, this Final Order or otherwise, as applicable, shall not constitute a waiver of any of the Pre-Petition Secured Parties' and the DIP Secured Parties' rights hereunder, thereunder, or otherwise. Notwithstanding anything herein, the entry of this Final Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly, or otherwise impair the Pre-Petition Secured Parties or the DIP Secured Parties under the Bankruptcy Code or under non-bankruptcy law, including without limitation, the rights of the Pre-Petition Secured Parties and the DIP Secured Parties to (i) request conversion of the Cases to cases under chapter 7, dismissal of the Cases, or the appointment of a trustee in the Cases, or (ii) propose, subject to the provisions of section 1121 of the Bankruptcy Code, a Plan or (iii) exercise any of the rights, claims or privileges (whether legal, equitable or otherwise) of the DIP Secured Parties or the Pre-Petition Secured Parties.

(e) **No Third Party Rights.** Except as explicitly provided for herein, this Final Order does not create any rights for the benefit of any third party, creditor, equity holder or any direct, indirect, or incidental beneficiary.

(f) **No Marshaling.** Neither the DIP Secured Parties nor the Pre-Petition Secured Parties shall be subject to the equitable doctrine of "marshaling" or any other similar doctrine with respect to any of the DIP Collateral or Pre-Petition Collateral, as applicable.

(g) **Section 552(b).** The DIP Secured Parties and the Pre-Petition Secured Parties shall each be entitled to all of the rights and benefits of section 552(b) of the Bankruptcy Code and the "equities of the case" exception under section 552(b) of the Bankruptcy Code shall not apply to the DIP Secured Parties or the Pre-Petition Secured Parties with respect to proceeds, product, offspring or profits of any of the Pre-Petition Collateral or the DIP Collateral.

(h) **Amendment.** The Debtors and the DIP Agent may amend, modify, supplement or waive any provision of the DIP Financing Agreements without further approval of the Court, pursuant to the terms of the DIP Financing Agreements. Except as otherwise provided herein, no waiver, modification, or amendment of any of the provisions hereof shall be effective unless set forth in writing, signed by on behalf of all the Debtors and the DIP Agent (after having obtained the approval of the DIP Secured Parties as provided in the DIP Financing Agreements) and approved by the Bankruptcy Court.

(i) **Survival of Final Order.** The provisions of this Final Order and any actions taken pursuant hereto shall survive entry of any order which may be entered (i) confirming a Plan in the Cases, (ii) converting any of the Cases to a case under chapter 7 of the Bankruptcy Code, or (iii) to the extent authorized by any applicable law, dismissing any of the Cases, (iv) withdrawing of the reference of any of the Cases from this Court, or (v) providing for abstention from handling or retaining of jurisdiction of any of the Cases in this Court. The terms and provisions of this Final Order including the DIP Liens and Superpriority Claims granted pursuant to this Final Order and the DIP Financing Agreements and any protections granted to the Pre-Petition Agents and the Pre-Petition Secured Parties, shall continue in full force and effect notwithstanding the entry of such order, and such DIP Liens and DIP Superpriority Claims

and such protections for the Pre-Petition Agents and the Pre-Petition Secured Parties shall maintain their respective priorities as provided by this Final Order until all the obligations of the Debtors to the DIP Lenders pursuant to the DIP Financing Agreements and the Pre-Petition First Lien Debt have been indefeasibly paid in full and discharged (such payment being without prejudice to any terms or provisions contained in the DIP Facility which survive such discharge by their terms). The DIP Obligations shall not be discharged by the entry of an order confirming a Plan, the Debtors having waived such discharge pursuant to section 1141(d)(4) of the Bankruptcy Code; provided that the DIP Obligations may be treated pursuant to the prepackaged plan of reorganization filed by the Debtors with the Court on the Petition Date. The Debtors shall not propose or support any Plan that is not conditioned upon the payment in full in cash of all of the DIP Obligations and the Pre-Petition Secured Debt (or other arrangements for payment or other treatment that is satisfactory to the DIP Agent, including under the Exit Loan Documents), on or prior to the earlier to occur of (i) the effective date of such Plan and (ii) the Commitment Termination Date.

(j) **Inconsistency.** In the event of any inconsistency between the terms and conditions of the DIP Financing Agreements, the Interim Order and this Final Order, the provisions of this Final Order shall govern and control.

(k) **Enforceability.** This Final Order shall constitute findings of fact and conclusions of law pursuant to the Bankruptcy Rule 7052 and shall take effect and be fully enforceable nunc pro tunc to the Petition Date immediately upon execution hereof.

(l) **Objections Overruled.** All objections to this Final Order, to the extent not withdrawn or resolved, are hereby overruled.

(m) **No Waivers or Modification of Final Order.** The Debtors irrevocably waive any right to seek any modification or extension of this Final Order without the prior written consent of the DIP Agent and the First Lien Agent and no such consent shall be implied by any other action, inaction or acquiescence of the DIP Agent and the First Lien Agent.

(n) **Waiver of any Applicable Stay.** Any applicable stay (including, without limitation, under Bankruptcy Rule 6004(h)) is hereby waived and shall not apply to this Final Order.

(o) **Retention of Jurisdiction.** The Bankruptcy Court has and will retain jurisdiction to enforce this Final Order according to its terms.

Dated: December __, 2009
Wilmington, Delaware

UNITED STATES BANKRUPTCY JUDGE

EXHIBIT A

SUPERPRIORITY SECURED DEBTOR-IN-POSSESSION CREDIT AGREEMENT

among

QHB HOLDINGS LLC,

as debtor and debtor-in-possession and as a Guarantor,

QUALITY HOME BRANDS HOLDINGS LLC,

as debtor and debtor-in-possession and as Borrower,

Certain Subsidiaries of Borrower,

each as a debtor and a debtor-in-possession and as Guarantors,

The Several Lenders

from Time to Time Parties Hereto,

and

BNP PARIBAS,

as Administrative Agent and Collateral Agent

Dated as of December 4, 2009

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SUPERPRIORITY SECURED DEBTOR-IN-POSSESSION CREDIT AGREEMENT, dated as of December 4, 2009, among QUALITY HOME BRANDS HOLDINGS LLC, a Delaware limited liability company, as a debtor and debtor in possession (d.b.a. Generation Brands) (the "Borrower"), QHB HOLDINGS LLC, a Delaware limited liability company, as a debtor and debtor in possession ("Holdings"), those Subsidiaries of the Borrower parties hereto as Guarantors, the several banks and other financial institutions or entities from time to time parties to this Agreement (the "Lenders"), BNP PARIBAS, as administrative agent (in such capacity, and together with its successors in such capacity, the "Administrative Agent"), as collateral agent (in such capacity, the "Collateral Agent").

WHEREAS, on December 4, 2009 (the "Filing Date"), the Borrower, Holdings and certain of the Borrower's subsidiaries filed voluntary petitions with the Bankruptcy Court initiating the Cases and have continued in the possession of their assets and in the management of their business pursuant to Sections 1107 and 1108 of the Bankruptcy Code;

WHEREAS, the Borrower has requested interim use of cash collateral under the terms of the Interim Order;

WHEREAS, the Borrower has requested that the Lenders referred to herein provide a secured revolving credit facility upon entry of the Final Order (the "Revolving Facility"; the aggregate principal amount of which shall not exceed $20,000,000, including a letter of credit subfacility of $5,000,000);

WHEREAS, the proceeds of the Revolving Facility will be used (i) to repay the Prepetition Revolving Facility in full on the Closing Date, (ii) to pay related fees and expenses associated with negotiation, execution and delivery of this Agreement, (iii) to make Prepetition Payments solely to the extent approved by the Bankruptcy Court and permitted hereunder and (iv) for working capital and other general corporate purposes of the Borrower and the Guarantors to the extent permitted hereunder;

WHEREAS, to provide security for the repayment of all obligations of any kind of the Loan Parties hereunder and under the other Loan Documents, including (i) direct borrowings and (ii) reimbursement obligations under Letters of Credit, each of the Loan Parties will provide to the Collateral Agent (for the benefit of the Secured Parties) the following (all as more fully described herein):

(i) pursuant to Section 364(c)(1) of the Bankruptcy Code, superpriority claim status in the Cases;

(ii) pursuant to Section 364(c)(2) of the Bankruptcy Code, a perfected first priority lien on all unencumbered property and assets of the Loan Parties;

(iii) pursuant to Section 364(d)(1) of the Bankruptcy Code, a perfected first priority, senior priming lien (the "Priming Lien") on all assets of the Debtors to be granted to the Collateral Agent, which Priming Lien shall prime all liens securing the Prepetition First Lien Credit Agreement and the Prepetition Second Lien Credit Agreement, and shall also be senior to any liens arising after the Filing Date to provide adequate protection in respect of any liens to

which the Priming Lien is senior (collectively, the "Primed Liens") but shall not prime Existing Liens; and

(iv) pursuant to Section 364(c)(3) of the Bankruptcy Code, a perfected junior lien on all property and assets of the Loan Parties that are subject to valid and perfected liens in existence on the Filing Date that were permitted by the Prepetition First Lien Credit Agreement or to valid liens in existence on the Filing Date as permitted by Section 546(b) of the Bankruptcy Code, if any, (in each case, other than liens securing the Prepetition First Lien Facility and the Prepetition Second Lien Facility) (the "Existing Liens");

in each case, subject only to the Carve-Out (as defined herein);

WHEREAS, the required Prepetition Lenders have consented to the Revolving Facility and the superpriority claim status provided for the obligations thereunder in the Cases.

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, the parties hereto 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.

"130 Capital Lease": the Lease, dated September 15, 2004, between 130 Holding, LLC and Sea Gull Lighting Products, Inc.

"Account": with respect to any Person, all present and future rights of such Person to payment for goods sold or leased or for services rendered (except those evidenced by instruments or chattel paper), whether now existing or hereafter arising and wherever arising.

"Addendum": an instrument, substantially in the form of Exhibit A, by which a Lender becomes a party to this Agreement as of the Closing Date.

"Administrative Agent": as defined in the preamble to this Agreement.

"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, whether by contract or otherwise; provided, that, notwithstanding the foregoing or anything to the contrary set forth herein or in any other Loan Document, in no event shall a Designated Manufacturer be considered an "Affiliate" of the Borrower or any Group Member for purposes of Section 8.10.

"Agents": the collective reference to the Collateral Agent and the Administrative Agent.

"Aggregate Exposure": with respect to any Lender at any time, an amount equal to the amount of such Lender's Revolving Commitment 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 Aggregate Exposure of all Lenders at such time.

"Agreement": this Amended and Restated Credit Agreement.

"Anti-Terrorism Laws": Executive Order No. 13224, the Patriot Act, the laws comprising or implementing the Bank Secrecy Act and the laws administered by the United States Treasury Department's Office of Foreign Asset Control (each as from time to time in effect) and any similar laws relating to terrorism.

"Applicable Margin": for any day, a rate per annum equal to (x) with respect to Loans that are Eurodollar Loans, 5.25% and (y) with respect to Loans that are Base Rate Loans, 4.25%.

"Application": an application, in such form as the Issuing Lender may specify from time to time, requesting the Issuing Lender to issue a Letter of Credit.

"Appraisal": the most recent appraisal and/or field audit in form and substance reasonably satisfactory to the Administrative Agent delivered to the Administrative Agent pursuant to Section 7.2(g) hereof.

"Approved Budget": the budget attached hereto as Schedule 6.1(n), reflecting detailed line-item operating cash receipts, operating disbursements, non-operating disbursements and professional fees of the Borrower and its Subsidiaries and the maximum amount of Revolving Loans outstanding, each on a weekly basis, for the 13-week period ending on February 26, 2010, satisfactory to the Administrative Agent and the Lenders.

"Approved Fund": with respect to any Lender, any Person (other than a natural person) that is engaged in making, purchasing, holding or otherwise investing in commercial loans or similar extensions of credit in the ordinary course and is administered, advised or managed by (a) such Lender, (b) an Affiliate of such Lender, or (c) an entity or an Affiliate of an entity that administers, advises or manages such Lender.

"Asset Sale": any Disposition of Property or series of related Dispositions of Property or, in the case of any Subsidiary, any issuance or sale of any shares of such Subsidiary's Capital Stock to any Person (other than Capital Stock issued to any Group Member and excluding any such Disposition permitted by clause (a), (b) or (c) of Section 8.5) that yields gross proceeds to any Group Member (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 $250,000.

"Assignee": as defined in Section 11.6(b).

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

"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; provided that, in calculating any Lender's Revolving Extensions of Credit for the purpose of determining such Lender's Available Revolving Commitment pursuant to Section 3.5, the aggregate principal amount of Swingline Loans then outstanding shall be deemed to be zero.

"Average Cash Balance": at any date, the average daily balance of all amounts of cash and Cash Equivalents that would, in conformity with GAAP, be included in "total current assets" (or any like caption) on a consolidated balance sheet of the Borrower and its Subsidiaries for the 30-day period prior to such date.

"Avoidance Actions": avoidance actions of the Loan Parties under Chapter 5 or Section 724(a) of the Bankruptcy Code or other applicable law (and proceeds thereof). The term does not include an action to avoid a transfer under Section 549 of the Bankruptcy Code if the transfer was of an asset otherwise constituting Collateral.

"Bankruptcy Code": Title 11 of the United States Code entitled "Bankruptcy," as now and hereafter in effect, or any successor statute.

"Bankruptcy Court": the United States Bankruptcy Court for the District of Delaware.

"Base Rate": for any day, a rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to the greater of (a) 4.25% per annum, (b) the Prime Rate in effect on such day, (c) the Federal Funds Effective Rate in effect on such day plus 0.50% and (d) the Eurodollar Rate, calculated based upon an assumed Interest Period of three months and determined on the first Business Day of each calendar quarter plus 1.00% per annum. For purposes hereof: "Prime Rate" shall mean the rate of interest per annum publicly announced from time to time by the Reference Lender 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 the Reference Lender in connection with extensions of credit to debtors). Any change in the Base Rate due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective as of the opening of business on the effective day of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

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

"Benefited Lender": as defined in Section 11.7(a).

"Bi-Weekly Cash Report": as defined in Section 4.2(g).

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

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

"Borrowing Base": as at any date of determination, an aggregate amount equal to:

(i) seventy percent (70%) of the Value of Eligible Accounts Receivable as reflected in the most recent Borrowing Base Certificate delivered hereunder, plus

(ii) thirty-five percent (35%) of the Value of Eligible Inventory determined at the lower of cost or market on a first in first out basis consistent with Loan Parties' current and historical accounting practice as reflected in the most recent Borrowing Base Certificate delivered hereunder;

provided that Administrative Agent may, in its Permitted Discretion and upon at least five Business Days' prior notice to the Borrower, impose reserves against the Borrowing Base.

"Borrowing Base Certificate" a certificate substantially in the form of Exhibit N annexed hereto delivered to Lenders by the Borrower pursuant to Section 6.1(a)(iii) or Section 7.2(f), with appropriate attachments.

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

"Business": as defined in Section 5.17(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, Eurodollar Loans, such day is also a day for trading by and between banks in Dollar deposits in the interbank eurodollar market.

"Capital Expenditures": for any period, with respect to any Person, the aggregate of all expenditures by such Person and its Subsidiaries 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) that should be capitalized under GAAP on a consolidated balance sheet of such Person and its Subsidiaries.

"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) and any and all warrants, rights or options to purchase any of the foregoing.

"Carve-Out": as defined in Section 4.17(a).

"Carve-Out Trigger Notice": as defined in Section 4.17(a).

"Cases": the bankruptcy cases commenced by the Borrower and the Guarantors under Chapter 11 of the Bankruptcy Code in the Bankruptcy Court on the Filing Date.

"Cash Collateralize": cash collateralize in accordance with Section 3.15.

"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 six months 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-1 by Standard & Poor's Ratings Services ("S&P") or P-1 by Moody's Investors Service, Inc. ("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 six months 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 six months 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; or (g) shares of money market mutual or similar funds which invest exclusively in assets satisfying the requirements of clauses (a) through (f) of this definition or money market funds that (i) comply with the criteria set forth in Securities and Exchange Commission Rule 2a-7 under the Investment Company Act of 1940, as amended, (ii) are rated AAA by S&P and Aaa by Moody's and (iii) have portfolio assets of at least $5,000,000,000.

"Cash Measurement Date": as defined in Section 4.2(g).

"Closing Date": the date on which the initial extensions of credit hereunder are made.

"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, upon which a Lien is purported to be created by any Security Document or the Final Order.

"Collateral Access Agreement": any landlord waiver, mortgagee waiver, bailee letter or any similar acknowledgement agreement of any landlord, mortgagee or bailee in respect of any real property where any Inventory or machinery and equipment is located or any warehouseman or processor in possession of Inventory or machinery and equipment, in form an substance satisfactory to Administrative Agent.

"Collateral Agent": as defined in the preamble to this Agreement.

"Collateral Agreement": a Collateral Agreement, substantially in the form of Exhibit D-1.

"Commitment": as to any Lender, the Revolving Commitment of such Lender.

"Commitment Fee Rate": 0.50% per annum.

"Commonly Controlled Entity": an entity, whether or not incorporated, that is under common control with the Borrower within the meaning of Section 4001 of ERISA or is part of a group that includes the Borrower and that is treated as a single employer under Section 414 of the Code.

"Compliance Certificate": a certificate duly executed by a Responsible Officer substantially in the form of Exhibit C.

"Conduit Lender": any special purpose entity organized and administered by any Lender for the purpose of making Loans otherwise required to be made by such Lender and designated by such Lender in a written instrument, subject to the consent of the Administrative Agent and the Borrower (which consent shall not be unreasonably withheld); provided, that the designation by any Lender of a Conduit Lender shall not relieve the designating Lender of any of its obligations to fund a Loan under this Agreement if, for any reason, its Conduit Lender fails to fund any such Loan, and the designating Lender (and not the Conduit Lender) shall have the sole right and responsibility to deliver all consents and waivers required or requested under this Agreement with respect to its Conduit Lender, and provided, further, that no Conduit Lender shall (a) be entitled to receive any greater amount pursuant to Section 4.9, 4.10, 4.11 or 11.5 than the designating Lender would have been entitled to receive in respect of the extensions of credit made by such Conduit Lender or (b) be deemed to have any Commitment.

"Confirmation Order": an order of the Bankruptcy Court confirming the Plan of Reorganization, as to which the time to appeal, petition for certiorari, or move for a new trial, reargument or rehearing has expired and as to which no appeal, petition for certiorari, or other proceedings for a new trial, reargument or rehearing shall then be pending or as to which any right to appeal, petition for certiorari, new trial, reargue, or rehear shall have been waived in writing in form and substance satisfactory to the Borrower, or, in the event that an appeal, writ of certiorari, new trial, reargument, or rehearing thereof has been sought, no stay pending appeal has been granted or such order of the Bankruptcy Court shall have been determined by the highest court to which such order was appealed, or certiorari, new trial, reargument or rehearing

shall have been denied and the time to take any further appeal, petition for certiorari, or move for a new trial, reargument or rehearing shall have expired; provided, however, that the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Federal Rules of Bankruptcy Procedure and the Local Rules of the Bankruptcy Court, in each case as amended from time to time and as applicable, may be filed with respect to such order shall not preclude such order from being a Final Order.

"Consummation Date": the date of the Consummation of the Plan of Reorganization.

"Consummation of the Plan of Reorganization": the occurrence of the Effective Date (as defined in the Plan of Reorganization) and the substantial consummation of the Plan of Reorganization within the meaning of Section 1101(2) of the Bankruptcy Code.

"Continuing Directors": the directors of Holdings on the Closing Date and each other director, if, in each case, such other director's nomination for election to the board of directors of Holdings is recommended by at least 66-2/3% of the then Continuing Directors or such other director receives the vote of the Permitted Investors in his or her election by the shareholders of Holdings.

"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.

"Control Investment Affiliate": as to any Person, any other Person that (a) directly or indirectly, is in control of, is controlled by, or is under common control with, such Person and (b) is organized by such Person primarily for the purpose of making equity or debt investments in one or more companies. For purposes of this definition, "control" of a Person means the power, directly or indirectly, to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

"Conversion Conditions": as defined in Section 11.20.

"Default": any of the events specified in Section 9, whether or not any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

"Defaulting Lender": any Lender that, as determined by the Administrative Agent, (a) has failed to fund any portion of its Loans or participations in Letters of Credit or Swingline Loans required to be funded by it hereunder within one Business Day of the date required to be funded by it hereunder, (b) has notified the Administrative Agent, the Issuing Lender, the Swingline Lender, any Lender and/or the Borrower in writing that it does not intend to comply with any of its funding obligations under this Agreement or has made a public statement to the effect that it does not intend to comply with its funding obligations under this Agreement or under other agreements in which it commits to extend credit, (c) has failed, within three Business Days after request by the Administrative Agent, to confirm that it will comply with the terms of this Agreement relating to its obligations to fund prospective Loans and participations in then outstanding Letters of Credit or Swingline Loans, (d) has otherwise failed to pay over to the Administrative Agent or any other Lender any other amount required to be

paid by it hereunder within three Business Days of the date when due, unless the subject of a good faith dispute, or (e) in the case of a Lender that has a Commitment, L/C Commitment or any obligation in respect of Letters of Credit or Swingline Loans outstanding at such time, is the subject of any bankruptcy, insolvency, receivership or other similar action or proceeding (or any comparable action or proceeding initiated by a regulatory authority having jurisdiction over such Lender or such person).

"Designated Manufacturer": those Persons identified on Schedule 1.1 engaged in manufacturing inventory for a Group Member pursuant to one or more written agreements entered into in the ordinary course and pursuant to the reasonable requirements of the business of such Group Member (or any predecessor in interest thereto), and in accordance with the usual and customary business practices of such Group Member (or any predecessor in interest thereto); provided, that, in each case, (a) except for equity investments outstanding on the Closing Date, no Group Member owns directly or indirectly any capital stock of such Person and (b) such Group Member shall have delivered or caused to be delivered to the Administrative Agent a true, complete and correct copy of each such written agreement with such Person (including all amendments, restatements, supplements and other modifications thereto).

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

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

"Domestic Subsidiary": any Subsidiary of the Borrower organized under the laws of any jurisdiction within the United States.

"Eligible Accounts Receivable": all Accounts of the Borrower and its Subsidiaries which are Loan Parties resulting from sales in the ordinary course of business, as reduced by the amount of all returns, discounts, deductions, claims, credits, charges, or other allowances with respect thereto and deemed by Administrative Agent in the exercise of its Permitted Discretion to be eligible for inclusion in the calculation of the Borrowing Base. Unless otherwise approved in writing by Administrative Agent (with the consent of Required Lenders), an Account shall not be an Eligible Account Receivable if:

(a) it arises out of a sale made by the Borrower or such Subsidiary to an Affiliate of the Borrower or such Subsidiary or such sale is not on arm's length terms; or

(b) it is unpaid more than 60 days after the due date of invoice; provided, however, such period shall be 90 days for any investment grade account debtors or Accounts backed by a Letter of Credit; or

(c) it is from the same account debtor or its Affiliate if 50% or more of the amount of all Accounts from that account debtor (and its Affiliates) are ineligible under (b) above; or

(d) it has aged over 90 days past the due date of invoice and the account debtor for such Account is a creditor of the Borrower or any Subsidiary of the Borrower,

has or has asserted a right of setoff against the Borrower or any Subsidiary of the Borrower, or has disputed its liability or otherwise has made any claim with respect to such Account or any other Account which has not been resolved, in each case to the extent of the amount owed by the Borrower or any Subsidiary of the Borrower to such account debtor, the amount of such actual or asserted right of setoff, or the amount of such dispute or claim, as the case may be; or

(e) when aggregated with all other Accounts of an account debtor and its Affiliates, the amount of such Account exceeds 25% in face amount of all Accounts then outstanding, but only to the extent of such excess; or

(f) it is evidenced by a judgment or by a promissory note, chattel paper or any other instrument or other document that is not in the possession of Administrative Agent or does not contain all necessary endorsements in favor of Administrative Agent; or

(g) it is from the United States of America or any department, agency or instrumentality thereof, unless the applicable Loan Party duly assigns its rights to payment of such Account to Administrative Agent pursuant to the Assignment of Claims Act of 1940, as amended (31 U.S.C. §§ 3727 et seq.); or

(h) the account debtor is (or its assets are): (i) (A) the subject of any voluntary case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) is seeking appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets, or which makes a general assignment for the benefit of its creditors; or (ii) against which is commenced any case, proceeding or other action of a nature referred to in clause (i) above that (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed, undischarged or unbonded for a period of 60 days; or (iii) against which is commenced any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distrait or similar process against all or any substantial part of its assets that results in the entry of an order for any such relief that shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof; or (iv) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

(i) such Account is not payable in Dollars or the account debtor for such Account is located outside the United States unless, such Account is (i) supported by an irrevocable letter of credit satisfactory to Administrative Agent (as to form, substance and issuer) and assigned to and directly drawable by Administrative Agent or (ii) covered by credit insurance acceptable to Administrative Agent; or

(j) the sale to the account debtor is on a bill-and-hold, guarantied sale, sale-and-return, sale on approval or consignment basis or made pursuant to any other written agreement providing for repurchase or return; or

(k) the goods giving rise to such Account have not been shipped and delivered to and accepted by the account debtor, the services giving rise to such Account have not been performed and accepted, or such Account otherwise does not represent a final sale; or

(l) such Account does not comply with all material and applicable laws, rules, regulations and orders of any Government Authority, including the Federal Consumer Credit Protection Act, the Federal Truth in Lending Act and Regulation Z of the Board of Governors of the Federal Reserve System; or

(m) such Account is subject to any adverse security deposit, progress payment or other similar advance made by or for the benefit of the applicable account debtor; or

(n) it is not subject to a valid and perfected or registered first priority Lien in favor of Collateral Agent or does not otherwise conform to the representations and warranties contained in the Loan Documents.

"Eligible Inventory": with respect to the Borrower and each of its Subsidiaries that is a Loan Party, Inventory of the Borrower or such Subsidiary deemed by Administrative Agent in the exercise of its Permitted Discretion to be eligible for inclusion in the calculation of the Borrowing Base. Unless otherwise approved in writing by Administrative Agent (with the consent of Required Lenders), an item of Inventory shall not be included in Eligible Inventory if:

(a) it is not owned solely by the Borrower or such Subsidiary or the Borrower or such Subsidiary does not have good, valid and marketable title thereto; or

(b) it is in transit or is not located in the United States; or

(c) it is not located on property owned or leased by the Borrower or such Subsidiary or in a contract warehouse, in each case subject to a Collateral Access Agreement, to the extent required at such time by Section 7.14, executed by any applicable mortgagee, lessor or contract warehouseman, as the case may be, and segregated or otherwise separately identifiable from goods of others, if any, stored on the premises; or

(d) it is not subject to a valid and perfected or registered first priority Lien in favor of Collateral Agent except, with respect to Inventory stored at sites described in clause (c) above, for Liens for unpaid rent or normal and customary warehousing charges; or

(e) it consists of goods returned that have been opened from their original packaging or rejected by the Borrower's or such Subsidiary's customers or goods in transit to third parties (other than to warehouse sites covered by a Collateral Access Agreement); or

(f) it is not first-quality goods, is used for showroom displays, is damaged, defective, or does not otherwise conform to the representations and warranties contained in the Loan Documents; or

(g) it consists of work-in-process, operating supplies, packaging or shipping materials, scrap, aged more than 18 months (non-productive inventory), capitalized variances, or marketing materials or other such materials not considered for sale in the ordinary course of business; or

(h) it consists of consigned goods.

"Environmental Laws": any and all Federal, state, local or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, requirements of any Governmental Authority or other Requirements of Law (including common law) applicable to the Borrower or any Group Member that regulate, relate to or impose liability or standards of conduct concerning protection of human health as affected by environmental conditions or the environment, as now or may at any time hereafter be in effect.

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

"Eurocurrency Reserve Requirements": for any day as applied to a Eurodollar 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.

"Eurodollar Base Rate": with respect to each day during each Interest Period pertaining to a Eurodollar Loan, the greater of (a) 3.25% per annum and (b) the rate per annum determined on the basis of the rate for deposits in Dollars for a period equal to such Interest Period commencing on the first day of such Interest Period appearing on Reuters' LIBOR01 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 Reuters' LIBOR01 Page (or otherwise on such screen), the "Eurodollar Base Rate" shall be determined by reference to such other comparable publicly available service for displaying eurodollar 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 Dollar deposits at or about 11:00 A.M., New York City time, two Business Days prior to the beginning of such Interest Period in the interbank eurodollar 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.

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

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

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

"Eurodollar Tranche": the collective reference to Eurodollar Loans under the Revolving 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 9; provided that any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

"Excluded Foreign Subsidiary": any Foreign Subsidiary in respect of which either (a) the pledge of all of the Capital Stock of such Subsidiary as Collateral or (b) the guaranteeing by such Subsidiary of the Obligations, would, in the good faith judgment of the Borrower, result in adverse tax consequences to the Borrower.

"Excluded Indebtedness": all Indebtedness permitted by Section 8.2.

"Existing Liens": as defined in the recitals hereto.

"Exit Credit Agreement": the Exit Credit Agreement in substantially the form of Exhibit E hereto, as amended, supplemented or otherwise modified from time to time.

"Exit Loan Documents": as defined in Section 11.20.

"Exit Revolving Loans": as defined in Section 11.20.

"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 the Reference Lender from three federal funds brokers of recognized standing selected by it.

"Filing Date": as defined in the recitals hereto.

"Final Order": the final order entered by the Bankruptcy Court in substantially the form of Exhibit K-2 (with such changes as may be approved by the Administrative Agent, such approval not to be unreasonably withheld) approving the Loan Documents and granting the Superpriority Claim status and the Priming Lien and other Liens described in Section 4.17 hereof and provided for in the Security Documents, which Final Order (i) has been entered, upon an application or motion of the Borrower reasonably satisfactory in form and substance to the Administrative Agent, on such prior notice to such parties as may be required under the Bankruptcy Code and/or by the Bankruptcy Court, (ii) authorizes extensions of credit in amounts

equal to the Revolving Commitments, (iii) approves the payment by the Borrower of all of the fees and expenses provided for in the Loan Documents, (iv) is in full force and effect, (v) approves the payment in full and termination of the Prepetition Revolving Facility, (vi) approves the priority of the Liens and Superpriority Claims granted pursuant to the Sections 364(c)(1), (2) and (3) and 364(d) of the Bankruptcy Code and (vii) provides that the Lenders are extending credit to the Borrower in good faith as that term is used in Section 364(e) of the Bankruptcy Code and waiving the provisions of Section 506(c) of Bankruptcy Code.

"Financial Statements": as defined in Section 5.1(a).

"fiscal quarter": (i) for the first fiscal quarter of any fiscal year, the 91-day period commencing on the Saturday immediately succeeding the prior fiscal year, (ii) for the second fiscal quarter of any fiscal year, the 91-day period commencing on the Saturday immediately succeeding the first fiscal quarter, (iii) for the third fiscal quarter of any fiscal year, the 91-day period commencing on the Saturday immediately succeeding the second fiscal quarter and (iv) for the fourth fiscal quarter of any fiscal year, the period commencing on the Saturday immediately succeeding the third fiscal quarter and ending on the Friday nearest to December 31 of each calendar year.

"fiscal year": a period of four fiscal quarters ending on the Friday nearest to December 31 of a calendar year.

"Foreign Subsidiary": any Subsidiary of the Borrower that is not a Domestic Subsidiary.

"Fund": any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans or similar extensions of credit in the ordinary course.

"Funding Office": the office of the Administrative Agent specified in Section 11.2 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 as in effect from time to time.

"Governmental Authority": any nation or government, any state or other political subdivision thereof, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization (including the National Association of Insurance Commissioners).

"Group Members": the collective reference Holdings, the Borrower and their respective Subsidiaries.

"Guarantee and Collateral Agreement": a Guarantee and Collateral Agreement, substantially in the form of Exhibit D-2.

"Guarantee Obligation": as to any Person (the "guaranteeing person"), any obligation of (a) the guaranteeing person or (b) another Person (including any bank under any letter of credit) to induce the creation of which the guaranteeing person has issued a reimbursement, counterindemnity or similar obligation, in either case guaranteeing or in effect guaranteeing any Indebtedness, leases, dividends or other obligations (the "primary obligations") of any other third Person (the "primary obligor") in any manner, whether directly or indirectly, including any 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 the lower of (a) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee Obligation is made and (b) the maximum amount for which such guaranteeing person may be liable pursuant to the terms of the instrument embodying such Guarantee Obligation, unless such primary obligation and the maximum amount for which such guaranteeing person may be liable are not stated or determinable, in which case the amount of such Guarantee Obligation shall be such guaranteeing person's maximum reasonably anticipated liability in respect thereof as determined by such guaranteeing person in good faith.

"Guarantors": the collective reference to Holdings and the Subsidiary Guarantors.

"Guaranty": as defined in Section 4.18.

"Hedge Agreements": any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions.

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

"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 current trade payables 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), (e) all Capital Lease Obligations of such Person, (f) all obligations of such Person, contingent or otherwise, as an account party or applicant under or in respect of acceptances, letters of credit, surety bonds or

similar arrangements, (g) the liquidation value of all redeemable preferred 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 (g) above, (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 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 (j) for the purposes of Sections 8.2 and 9(e) only, all obligations of such Person in respect of Hedge Agreements. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness expressly provide that such Person is not liable therefor.

"Indemnitee": as defined in Section 11.5.

"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 copyrights, copyright licenses, patents, patent licenses, trademarks, trademark licenses, technology, know-how and processes, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

"Intercompany Note": the Subordinated Intercompany Note executed and delivered by each Group Member, substantially in the form of Exhibit L.

"Interest Payment Date": (a) as to any Base Rate Loan (other than any Swingline Loan), the last day of each month to occur while such Loan is outstanding and the final maturity date of such Loan, (b) as to any Eurodollar Loan, the last day of the applicable Interest Period and (c) as to any Swingline Loan, the day that such Loan is required to be paid.

"Interest Period": as to any Eurodollar Loan, the period commencing on the borrowing or conversion date, as the case may be, with respect to such Eurodollar Loan and ending one month thereafter; provided that, 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) the Borrower may not select an Interest Period that would extend beyond the Revolving Termination Date;

(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; and

(iv) the Borrower shall select Interest Periods so as not to require a payment or prepayment of any Eurodollar Loan during an Interest Period for such Loan.

"Interim Order": the order of the Bankruptcy Court in the Cases substantially in the form of Exhibit K-1 (with such changes as may be approved by the Administrative Agent, such approval not to be unreasonably withheld) authorizing and approving the use of cash collateral on an interim basis, for a period of no more than 30 days following the Filing Date, in form and substance satisfactory to the Lenders and Administrative Agent's counsel. The Interim Order shall, among other things, authorize the Borrower's use of cash collateral and grant as adequate protection for the Borrower's use of cash collateral replacement liens pursuant to Section 361 of the Bankruptcy Code.

"Inventory" with respect to any Person, all goods, merchandise and other personal property which are held for sale or lease by such Person.

"Investments": as defined in Section 8.8.

"Issuing Lender": BNP Paribas.

"JPMorgan Loan Agreement": the Loan Agreement, dated August 8, 2002, among Locust East 140th Street L.P., the guarantors named therein and JPMorgan Chase Bank, as amended and modified as of the date hereof.

"JPMorgan Loan Documents": each of the notes evidencing amount outstanding under the JPMorgan Loan Agreement, each of the guaranties, mortgages and leases related thereto, the JPMorgan Hedging Agreement and each other agreement executed in connection therewith, each as amended and modified as of the date hereof.

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

"L/C Fee Payment Date": the last day of each month and the last day of the Revolving Commitment Period.

"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 pursuant to Section 3.11.

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

"Leasehold Property": any leasehold interest of any Loan Party as lessee under any lease of real property, other than any such leasehold interest designated from time to time by the Administrative Agent in its reasonable discretion as not being required to be included in the Collateral.

"Lenders": as defined in the preamble hereto; provided, that unless the context otherwise requires, each reference herein to the Lenders shall be deemed to include any Conduit Lender.

"Letters of Credit": as defined in Section 3.7(a), and all letters of credit issued under the Prepetition First Lien Credit Agreement that are outstanding on the Closing Date and are identified on Schedule 1.1(c) hereto.

"Lien": any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge or other security interest or any preference, priority or other security agreement or preferential arrangement 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).

"Liquidity": at any time, the sum of (x) Borrower's balance of cash and Cash Equivalents (determined in accordance with GAAP) at such time plus (y) the maximum amount available for borrowing under the Total Revolving Commitments at such time.

"Liquidity Certificate": as defined in Section 7.2(h).

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

"Loan Documents": this Agreement, the Security Documents and the Notes.

"Loan Parties": each Group Member that is a party to a Loan Document.

"Material Adverse Effect": a material adverse effect on (a) the business, assets, property, condition (financial or otherwise) or results of operations of the Borrower and its Subsidiaries taken as a whole, (b) the validity or enforceability of this Agreement or any of the other Loan Documents or the material rights or remedies of the Agents or the Lenders hereunder or thereunder or (c) the validity, perfection or priority of the Collateral Agent's Liens upon a material portion of the Collateral; provided that the commencement of the Cases will not constitute a Material Adverse Effect under clause (a) above.

"Materials of Environmental Concern": any petroleum (including crude oil or any fraction thereof) or petroleum products or any hazardous or toxic substances, materials or wastes, defined or regulated as such in or under any Environmental Law, including building materials containing greater than 1% asbestos, dielectric fluids containing greater than 50 ppm polychlorinated biphenyls and urea-formaldehyde insulation.

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

"Net Cash Proceeds": (a) 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 by the Disposition of any non-cash consideration received in connection therewith or otherwise, but only as and when received) of such Asset Sale or Recovery Event, net of attorneys' fees, accountants' fees, investment banking fees, amounts required to be applied to the repayment of Indebtedness secured by a Lien expressly permitted hereunder on any asset that is the subject of such Asset Sale or Recovery Event (other than any Lien pursuant to a Security Document) 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 (b) in connection with any issuance or sale of Capital Stock, any capital contribution or any incurrence of Indebtedness, the cash proceeds received from such issuance, contribution or incurrence, net of attorneys' fees, investment banking fees, accountants' fees, underwriting discounts and commissions and other customary fees and expenses actually incurred in connection therewith.

"Non-Excluded Taxes": as defined in Section 4.10(a).

"Non-U.S. Lender": as defined in Section 4.10(d).

"Notes": the collective reference to any promissory note evidencing Loans.

"Obligations": the unpaid principal of and interest on (including interest accruing after the maturity of the Loans and Reimbursement Obligations and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) the Loans and all other obligations and liabilities of the Borrower to any Agent or to any Lender (or, in the case of Specified Cash Management Agreements, any Qualified Counterparty), 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, any Specified Cash Management Agreement or any other document made, delivered or given in connection herewith or therewith (including, without limitation, any fee letter executed by the Borrower and the Administrative Agent), whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including all fees, charges and disbursements of counsel to any Agent or to any Lender that are required to be paid by the Borrower pursuant hereto) or otherwise; provided that (x) notwithstanding the foregoing or anything to the contrary contained in any Specified Cash Management Agreement or in this Agreement or any other Loan Document, Obligations of the Borrower or any other Loan Party under or in respect of any Specified Cash Management Agreement shall constitute Obligations secured and guaranteed pursuant to the Security Documents only to the extent that, and for so long as, the other Obligations are so secured and guaranteed, and (y) any release of Collateral or Guarantors effected in the manner permitted by this Agreement shall not require the consent of holders of obligations under Specified Cash Management Agreements.

"Orders": collectively, the Interim Order and the Final Order.

"Organizational Documents": as to any Person, the Certificate of Incorporation, Certificate of Formation, By Laws, Limited Liability Company Agreement, Partnership Agreement or other organizational or governing documents of such Person.

"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.

"Participant": as defined in Section 11.6(c).

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

"Payment in Full of the Revolving Facility": (a) all Revolving Loans have been repaid in full in cash, (b) all interest accrued thereon and all fees accrued in respect of the Revolving Commitments have been paid in full in cash, (c) all outstanding Letters of Credit have been Cash Collateralized and (d) all Revolving Commitments have terminated.

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

"Permitted Discretion": Administrative Agent's good faith judgment based upon any factor which it believes: (a) will or could adversely affect the value of any Collateral, the enforceability or priority of Administrative Agent's Liens thereon or the amount which Administrative Agent and Lenders would be likely to receive (after giving consideration to delays in payment and costs of enforcement) in the liquidation of such Collateral or (b) suggests that any collateral report or financial information delivered to Administrative Agent by any Person on behalf of any Loan Party is incomplete, inaccurate or misleading in any material respect. In exercising such judgment, Administrative Agent may consider such factors already included in or tested by the definition of Eligible Accounts Receivable or Eligible Inventory, as well as any of the following: (i) changes in collection history and dilution with respect to Loan Parties' Accounts; (ii) changes in demand for, and pricing of, Loan Parties' Inventory; (iii) changes in any concentration of risk with respect to such Accounts or Inventory; and (iv) any other factors that change the credit risk of lending to the Borrower on the security of such Accounts or Inventory.

"Permitted Investors": the collective reference to the Sponsor and its Control Investment Affiliates.

"Permitted Refinancing Indebtedness": any Indebtedness of the Borrower or any of its Subsidiaries issued in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, defease or discharge, other Indebtedness of the Borrower or any of its Subsidiaries (other than intercompany Indebtedness); provided, that:

(a) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable)

of the Indebtedness renewed, refunded, refinanced, replaced, defeased or discharged (plus the amount of all fees and expenses, including premiums, incurred in connection therewith);

(b) such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and has a weighted average life to maturity equal to or greater than the weighted average life to maturity of, the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged;

(c) if the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged is subordinated in right of payment to the Obligations, such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and is subordinated in right of payment to, the Obligations on terms at least as favorable to the Lenders as those contained in the documentation governing the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged and such Indebtedness does not have any scheduled principal payments prior to the final maturity date of the Obligations; and

(d) such Indebtedness is incurred either by the Borrower or by the Subsidiary that is the obligor on the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged.

"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.

"Plan": at a particular time, any employee benefit plan that is covered by ERISA and in respect of which the Borrower or a Commonly Controlled Entity 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": the Joint Prepackaged Chapter 11 Plan of Reorganization of Holdings and its Subsidiaries pursuant to Chapter 11 of the United States Bankruptcy Code, dated December __, 2009, together with all schedules and exhibits thereto, as confirmed by the Confirmation Order, together with any amendments, supplements or modifications thereto that have been approved or authorized by the Bankruptcy Court prior to the Effective Date, which amendments, supplements and/or modifications shall be approved by the Administrative Agent, such approval not to be unreasonably withheld.

"Prepetition Facilities": collectively, the Prepetition First Lien Facility, the Prepetition Second Lien Facility, the 130 Capital Lease and the JPMorgan Loan Agreement and JPMorgan Loan Documents.

"Prepetition First Lien Facility": the First Lien Credit Agreement dated as of June 20, 2006, among the Borrower, Holdings, the lenders party thereto and BNP Paribas as successor Administrative Agent and Collateral Agent, and all documents, instruments and agreements (including, without limitation, all collateral and security documents) executed and delivered in connection therewith (as the credit agreement and each other document, instrument and agreement has been amended, modified, supplemented or restated prior to the Filing Date).

"Prepetition Lenders": the Lenders (as defined in each of the Prepetition First Lien Facility and the Prepetition Second Lien Facility) under each of the Prepetition Facilities.

"Prepetition Obligations": the Obligations (as defined in each of the Prepetition First Lien Facility and the Prepetition Second Lien Facility) outstanding under each of the Prepetition Facilities as of the Filing Date.

"Prepetition Payments": any payment (by way of adequate protection or otherwise) of principal or interest or otherwise on account of any prepetition Indebtedness or other obligations or claims (including trade payables and payments in respect of reclamation claims) of Borrower or any Guarantor.

"Prepetition Revolving Facility": the Revolving Commitments (as defined in the Prepetition First Lien Credit Agreement) and the Revolving Loans (as defined in the Prepetition First Lien Credit Agreement) outstanding under the Prepetition First Lien Credit Agreement as of the Closing Date.

"Prepetition Second Lien Facilities": the Second Lien Credit Agreement dated as of June 20, 2006, among the Borrower, Holdings, the lenders party thereto and The Bank of New York Mellon as successor Administrative Agent and Collateral Agent, and all documents, instruments and agreements (including, without limitation, all collateral and security documents) executed and delivered in connection therewith (as the credit agreement and each other document, instrument and agreement has been amended, modified, supplemented or restated prior to the Filing Date).

"Primed Liens": as defined in the recitals hereto.

"Priming Liens": as defined in the recitals hereto.

"Projections": as defined in Section 7.2(c).

"Properties": as defined in Section 5.17(a).

"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 Counterparty": with respect to any Specified Cash Management Agreement, any counterparty thereto that, at the time such Specified Cash Management Agreement was entered into, was a Lender, an Affiliate of a Lender, an Agent or an Affiliate of an Agent; provided that, in the event a counterparty to a Specified Cash Management Agreement at the time such Specified Cash Management Agreement was entered into was a Qualified Counterparty, such counterparty shall constitute a Qualified Counterparty hereunder and under the other Loan Documents.

"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 Group Member.

"Reference Lender": BNP Paribas

"Refunded Swingline Loans": as defined in Section 3.4.

"Refunding Date": as defined in Section 3.4.

"Register": as defined in Section 11.6(b)(v).

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

"Reimbursement Obligation": the obligation of the Borrower to reimburse the Issuing Lender pursuant to Section 3.11 for amounts drawn under Letters of Credit.

"Reinvestment Deferred Amount": with respect to any Reinvestment Event, the aggregate Net Cash Proceeds received by any Group Member in connection therewith that are not applied to prepay the Loans or reduce the Revolving Commitments pursuant to Section 4.2(c) 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 executed by a Responsible Officer stating that no Event of Default has occurred and is continuing and 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 acquire or repair fixed or capital assets useful in its business.

"Reinvestment Prepayment Amount": with respect to any Reinvestment Event, the Reinvestment Deferred Amount relating thereto less any amount expended prior to the relevant Reinvestment Prepayment Date to acquire or repair fixed or capital assets useful in the Borrower's business.

"Reinvestment Prepayment Date": with respect to any Reinvestment Event, the earlier of (a) the date occurring six months after such Reinvestment Event and (b) the date on which the Borrower shall have determined not to, or shall have otherwise ceased to, acquire or repair fixed or capital assets useful in the Borrower's business with all or any portion of the relevant Reinvestment Deferred Amount.

"Related Party Register": as defined in Section 11.6(d).

"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(b) of ERISA, other than those events as to which the thirty day notice period is waived under subsections .27, .28, .29, .30, .31, .32, .34 or .35 of PBGC Reg. § 4043.

"Required Lenders": at any time, the holders of more than 50% of the Total Revolving Commitments then in effect or, if the Revolving Commitments have been terminated, the Total Revolving Extensions of Credit then outstanding; provided that the aggregate amount unused Revolving Commitments of, or portion of the Total Revolving Extensions of Credit then outstanding held or deemed held by, any Lender that is then a Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders.

"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, in each case 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 or chief financial officer of the Borrower, but in any event, with respect to financial matters, the chief financial officer of the Borrower.

"Restricted Payments": as defined in Section 8.6.

"Revolving Commitment": as to any Lender, the obligation of such Lender, if any, to make Revolving Loans and participate in Swingline Loans and 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 3.1 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 Total Revolving Commitments as of the Closing Date is $20,000,000.

"Revolving Commitment Period": the period from and including the Closing Date to the Revolving Termination 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, (b) such Lender's Revolving Percentage of the L/C Obligations then outstanding and (c) such Lender's Revolving Percentage of the aggregate principal amount of Swingline Loans then outstanding.

"Revolving Facility": the Revolving Commitments and the extensions of credit made thereunder.

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

"Revolving Loans": as defined in Section 3.1(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, however, solely for purposes of calculating the Revolving Percentage of any non-Defaulting Lender under Sections 4.16(a)(i) and 4.16(a)(iii), the Revolving Commitment of Defaulting Lenders shall be deemed subtracted from the Total Revolving Commitments (or, at any time after the Revolving Commitments shall have expired or terminated, the aggregate principal amount of Defaulting Lenders' Revolving Loans then outstanding shall be subtracted from the aggregate principal amount of the Revolving Loans then outstanding).

"Revolving Termination Date": the earlier of (i) the date that is 90 days after the Closing Date, (ii) the date upon which the sale of substantially all of the Loan Parties' assets is consummated, or (iii) the date of the acceleration of the Loans and the termination of the Commitments as provided herein.

"SEC": the Securities and Exchange Commission, any successor thereto and any analogous Governmental Authority.

"Secured Parties" collectively, the Collateral Agent, the Administrative Agent, the Revolving Lenders, the Issuing Lender, the Swingline Lender and any Qualified Counterparty.

"Security Documents": this Agreement, the Collateral Agreement, the Guarantee and Collateral Agreement, all security agreements, deeds of trust, mortgages, pledges, guaranties, financing statements, continuation statements, extension agreements or instruments and all other security documents now, heretofore, or hereafter delivered by any Loan Party to the Collateral Agent in connection with this Agreement or any transaction contemplated hereby granting a Lien on any property of any Person to secure the Obligations of any Loan Party under any Loan Document or Specified Cash Management Agreement.

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

"Specified Cash Management Agreement": any cash management agreement (a) entered into by (i) the Borrower and (ii) a Qualified Counterparty, as counterparty and (b) that has been designated by such Qualified Counterparty and the Borrower, by notice to the Administrative Agent, as a Specified Cash Management Agreement. The designation of any cash management agreement as a Specified Cash Management Agreement shall not create in favor of any Qualified Counterparty that is a party thereto any rights in connection with the management or release of any Collateral or of the obligations of any Subsidiary Guarantor, except as contemplated in Section 11.14.

"Specified Change of Control": a "Change of Control" (or any other defined term or concept having a similar purpose) under the terms of any Indebtedness of Holdings or any of its Subsidiaries or any preferred stock of Holdings.

"Sponsor": Quad-C Management, Inc.

"Subsidiary": as to any Person, a corporation, partnership, limited liability company or other entity 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 or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person. 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 Subsidiary of the Borrower other than (a) any Excluded Foreign Subsidiary, (b) Locust East 140th Street L.P. and (c) MF Real Estate LLC.

"Superpriority Claim": a claim against the Borrower or any Guarantor in any of the Cases which is an administrative expense claim having priority over any or all administrative expenses of the kind specified in Sections 503(b) or 507(b) of the Bankruptcy Code.

"Swingline Commitment": the obligation of the Swingline Lender to make Swingline Loans pursuant to Section 3.3 in an aggregate principal amount at any one time outstanding not to exceed $4,000,000.

"Swingline Lender": BNP Paribas, in its capacity as the lender of Swingline Loans.

"Swingline Loans": as defined in Section 3.3.

"Swingline Participation Amount": as defined in Section 3.4.

"Total Liquidity": as of any date, the sum of (x) the aggregate balance of cash and Cash Equivalents held by the Loan Parties and (y) the aggregate amount available to be borrowed by the Borrower under this Agreement. For purposes of calculating Total Liquidity, the figure in clause (y) of the last sentence of Section 3.1 will be deemed to be $20,000,000 instead of $15,000,000.

"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 of the Revolving Lenders outstanding at such time.

"Transferee": any Assignee or Participant.

"Type": as to any Loan, its nature as a Base Rate Loan or a Eurodollar Loan.

"United States": the United States of America.

"Value": as determined in accordance with GAAP, (a) with respect to Eligible Accounts Receivable, the gross face amount of Eligible Accounts Receivable less the sum of (i) sales, excise or similar taxes included in the amount thereof and (ii) returns, discounts, claims, credits, charges and allowances of any nature at any time issued, owing, granted, outstanding, available or claimed with respect thereto and (b) with respect to Eligible Inventory, the lower of

(i) cost computed on a first-in first-out basis consistent with GAAP and the Borrower's current and historical accounting practice or (ii) fair market value.

"Wholly Owned Subsidiary": as to any Person, any other Person all of the Capital Stock of which (other than directors' qualifying shares required by law) is owned by such Person directly and/or through other Wholly Owned Subsidiaries.

"Wholly Owned Subsidiary Guarantor": any Subsidiary Guarantor that is a Wholly Owned Subsidiary of the Borrower.

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) accounting terms relating to any Group Member not defined in Section 1.1 and accounting terms partly defined in Section 1.1, to the extent not defined, shall have the respective meanings given to them under GAAP, (ii) the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation", (iii) the word "incur" shall be construed to mean incur, create, issue, assume, become liable in respect of or suffer to exist (and the words "incurred" and "incurrence" shall have correlative meanings), (iv) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, Capital Stock, securities, revenues, accounts, leasehold interests and contract rights, and (v) 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 (subject to any applicable restrictions hereunder).

(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 Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

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

(e) Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP; provided that, if either the Borrower notifies the Administrative Agent that such Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrowers 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. INTENTIONALLY OMITTED

SECTION 3. AMOUNT AND TERMS OF REVOLVING COMMITMENTS

3.1. Revolving Commitments. (a) Subject to the terms and conditions hereof, each Revolving Lender severally agrees to make revolving credit loans ("Revolving Loans") 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 the sum of such Lender's (x) allocated exposure pursuant to Section 4.16 with respect to L/C Obligations and Swingline Participation Amounts of Defaulting Lenders and (y) Revolving Percentage of the sum of (i) the L/C Obligations then outstanding and (ii) the aggregate principal amount of the Swingline Loans then outstanding (in each case after giving effect to the use of proceeds thereof to reimburse L/C Obligations or repay Swingline Loans), does not exceed at any time after entry of the Final Order, the amount of such Lender's Revolving Commitment. During the Revolving Commitment Period the Borrower may use the Revolving Commitments by borrowing, prepaying and reborrowing the Revolving Loans in whole or in part, all in accordance with the terms and conditions hereof. The Revolving Loans may from time to time be Eurodollar Loans or Base Rate Loans, as determined by the Borrower and notified to the Administrative Agent in accordance with Sections 3.2 and 4.3. In no event shall the Total Revolving Extensions of Credit at any time exceed the lesser of (x) the Borrowing Base then in effect and (y) $15,000,000 or such greater amount as may be approved from time to time by Required Lenders.

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

3.2. 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 (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 Eurodollar Loans, or (b) one Business Day prior to the requested Borrowing Date, in the case of Base Rate Loans) (provided that any such notice of a borrowing of Base Rate Loans to finance payments required to be made pursuant to Section 3.5 may be given not later than 10:00 A.M., New York City time, on the date of the proposed borrowing), substantially in the form of Exhibit F specifying (i) the amount and Type of Revolving Loans to be borrowed, (ii) the requested Borrowing Date, (iii) the Borrowing Base then in effect, (iv) the Total Revolving Extensions of Credit then outstanding (both prior to, and after giving effect to, the proposed borrowing) and (v) in the case of Eurodollar Loans, the respective amounts of each such Type of Loan and the respective lengths of the initial Interest Period therefor. Each borrowing under the Revolving Commitments shall be in an amount equal to (x) in the case of Base Rate Loans, $500,000 or integral multiples 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 Eurodollar Loans, $500,000 or integral multiples of $100,000 in excess thereof; provided, that (x) the Swingline Lender may request, on behalf of the Borrower, borrowings under the Revolving Commitments that are Base Rate Loans

in other amounts pursuant to Section 3.4 and (y) borrowings of Base Rate Loans pursuant to Section 3.11 shall not be subject to the foregoing minimum amounts. 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 12:00 Noon, New York City time, on the Borrowing Date requested by the Borrower 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.

3.3. Swingline Commitment. (a) Subject to the terms and conditions hereof, the Swingline Lender agrees to make a portion of the credit otherwise available to the Borrower under the Revolving Commitments from time to time during the Revolving Commitment Period by making swing line loans ("Swingline Loans") to the Borrower; provided that (i) no more than one Swingline Loan may be outstanding at any time, (ii) the aggregate principal amount of Swingline Loans outstanding at any time shall not exceed the Swingline Commitment then in effect (notwithstanding that the Swingline Loans outstanding at any time, when aggregated with the Swingline Lender's other outstanding Revolving Loans hereunder, may exceed the Swingline Commitment then in effect) and (iii) the Borrower shall not request, and the Swingline Lender shall not make, any Swingline Loan if, after giving effect to the making of such Swingline Loan, the aggregate amount of the Available Revolving Commitments would be less than zero (and, in no event shall the Total Revolving Extensions of Credit at any time exceed the Borrowing Base then in effect). During the Revolving Commitment Period, the Borrower may use the Swingline Commitment by borrowing, repaying and reborrowing, all in accordance with the terms and conditions hereof. Swingline Loans shall be Base Rate Loans only.

The Borrower shall repay any Swingline Loans within seven days of the date on which such Swingline Loan was made and shall repay all outstanding Swingline Loans on the Revolving Termination Date.

3.4. Procedure for Swingline Borrowing; Refunding of Swingline Loans. (a) Whenever the Borrower desires that the Swingline Lender make Swingline Loans it shall give the Swingline Lender irrevocable telephonic notice confirmed promptly in writing (which telephonic notice must be received by the Swingline Lender not later than 1:00 P.M., New York City time, on the proposed Borrowing Date), specifying (i) the amount to be borrowed, (ii) the requested Borrowing Date (which shall be a Business Day during the Revolving Commitment Period), (iii) the Borrowing Base then in effect and (iv) the Total Revolving Extensions of Credit then outstanding (prior to, and after giving effect to, the proposed borrowing). Concurrently with any request for a Swingline Loan made in accordance with the preceding sentence, the Borrower shall deliver request for a Revolving Loan to the Administrative Agent in accordance with Section 3.2, which request shall be for an amount equal to the requested Swingline Loan, the proceeds of such Revolving Loan to be used to repay any outstanding Swingline Loans. Each borrowing under the Swingline Commitment shall be in an amount equal to $500,000 or a whole multiple of $100,000 in excess thereof. Not later than 3:00 P.M., New York City time, on the Borrowing Date specified in a notice in respect of Swingline Loans, the Swingline Lender

shall make available to the Administrative Agent at the Funding Office an amount in immediately available funds equal to the amount of the Swingline Loan to be made by the Swingline Lender. The Administrative Agent shall make the proceeds of such Swingline Loan available to the Borrower on such Borrowing Date by depositing such proceeds in the account of the Borrower with the Administrative Agent on such Borrowing Date in immediately available funds.

(b) The Swingline Lender, at any time and from time to time in its sole and absolute discretion may, on behalf of the Borrower (which hereby irrevocably directs the Swingline Lender to act on its behalf), on one Business Day's notice given by the Swingline Lender no later than 12:00 Noon, New York City time, request each Revolving Lender to make, and each Revolving Lender hereby agrees to make, irrespective of the satisfaction of conditions to such Loan specified in Section 6.2, a Revolving Loan, in an amount equal to such Revolving Lender's Revolving Percentage of the aggregate amount of the Swingline Loans (the "Refunded Swingline Loans") outstanding on the date of such notice, to repay the Swingline Lender. Each Revolving Lender shall make the amount of such Revolving Loan available to the Administrative Agent at the Funding Office in immediately available funds, not later than 10:00 A.M., New York City time, one Business Day after the date of such notice. The proceeds of such Revolving Loans shall be immediately made available by the Administrative Agent to the Swingline Lender for application by the Swingline Lender to the repayment of the Refunded Swingline Loans. The Borrower irrevocably authorizes the Swingline Lender to charge the Borrower's accounts with the Administrative Agent (up to the amount available in each such account) in order to immediately pay the amount of such Refunded Swingline Loans to the extent amounts received from the Revolving Lenders are not sufficient to repay in full such Refunded Swingline Loans.

(c) If prior to the time a Revolving Loan would have otherwise been made pursuant to Section 3.4(b), if for any reason, as determined by the Swingline Lender in its sole discretion, Revolving Loans may not be made as contemplated by Section 3.4(b), each Revolving Lender shall, on the date such Revolving Loan was to have been made pursuant to the notice referred to in Section 3.4(b) (the "Refunding Date"), purchase for cash an undivided participating interest in the then outstanding Swingline Loans by paying to the Swingline Lender an amount (the "Swingline Participation Amount") equal to (i) such Revolving Lender's Revolving Percentage times (ii) the sum of the aggregate principal amount of Swingline Loans then outstanding that were to have been repaid with such Revolving Loans.

(d) Whenever, at any time after the Swingline Lender has received from any Revolving Lender such Lender's Swingline Participation Amount, the Swingline Lender receives any payment on account of the Swingline Loans, the Swingline Lender will distribute to such Lender its Swingline Participation Amount (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's participating interest was outstanding and funded and, in the case of principal and interest payments, to reflect such Lender's pro rata portion of such payment if such payment is not sufficient to pay the principal of and interest on all Swingline Loans then due); provided, however, that in the event that such payment received by the Swingline Lender is required to be returned, such Revolving Lender will return to the Swingline Lender any portion thereof previously distributed to it by the Swingline Lender.

Each Revolving Lender's obligation to make the Loans referred to in Section 3.4(b) and to purchase participating interests pursuant to Section 3.4(c) 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 Revolving Lender or the Borrower may have against the Swingline 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 6; (iii) any adverse change in the condition (financial or otherwise) of the Borrower; (iv) any breach of this Agreement or any other Loan Document by the Borrower, any other Loan Party or any other Revolving Lender; or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

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

(b) The Borrower agrees to pay to the Administrative Agent the fees in the amounts and on the dates previously agreed to in writing by the Borrower and the Administrative Agent.

3.6. Termination or Reduction of Revolving Commitments. The Borrower shall have the right, upon not less than three Business Days' notice to the Administrative Agent, to terminate the Revolving Commitments or, from time to time, to reduce the amount of the Revolving Commitments; provided that no such termination or reduction of Revolving Commitments shall be permitted if, after giving effect thereto and to any prepayments of the Revolving Loans and Swingline Loans made on the effective date thereof, the Total Revolving Extensions of Credit would exceed (x) the Total Revolving Commitments then in effect or (y) the Borrowing Base then in effect. Any such reduction shall be in an amount equal to $1,000,000, or a whole multiple thereof, and shall reduce permanently the Revolving Commitments then in effect.

3.7. L/C Commitment. (a) Subject to the terms and conditions hereof, the Issuing Lender, in reliance on the agreements of the other Revolving Lenders set forth in Section 3.10(a), agrees to issue standby letters of credit ("Letters of Credit") for the account of the Borrower on any Business Day during the Revolving Commitment Period in such form as may be approved from time to time by the Issuing Lender; provided that the Issuing Lender shall have no 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 (and, in no event shall the Total Revolving Extensions of Credit at any time exceed the Borrowing Base then in effect). Each Letter of Credit shall (i) be denominated in Dollars, (ii) have a face amount of at least $50,000 (unless otherwise agreed by the Issuing Lender) and (iii) expire no later than the date which is the first anniversary of its date of issuance; provided that, upon the earlier of (x) the Revolving Termination Date and (y) the consummation of the Plan of Reorganization, if the Conversion

Conditions have not been satisfied or for any other reason the Exit Credit Facility has not become effective, the Borrower shall Cash Collateralize the aggregate undrawn amount of all outstanding Letters of Credit. On the Closing Date, each letter of credit issued pursuant to the Prepetition First Lien Credit Agreement shall be deemed to be a Letter of Credit hereunder.

(b) The Issuing Lender shall not at any time be obligated to issue any Letter of Credit hereunder if such issuance would conflict with, or cause the Issuing Lender or any L/C Participant to exceed any limits imposed by, any applicable Requirement of Law.

3.8. Procedure for Issuance of Letter of Credit. The Borrower may from time to time request that the Issuing Lender issue a Letter of Credit by delivering to the Issuing Lender at its address for notices specified herein (i) an Application therefor, completed to the satisfaction of the Issuing Lender, and such other certificates, documents and other papers and information as the Issuing Lender may request and (ii) a certificate specifying (x) the Borrowing Base then in effect and (y) the Total Revolving Extensions of Credit then outstanding (both prior to, and after giving effect to, the requested Letter of Credit). Upon receipt of any Application, the Issuing Lender will notify the Administrative Agent of the amount, the beneficiary and the requested expiration of the requested Letter of Credit, and upon receipt of confirmation from the Administrative Agent that after giving effect to the requested issuance, the Available Revolving Commitments would not be less than zero, the 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 the Letter of Credit requested thereby (but in no event shall the Issuing Lender be required to issue 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 to the beneficiary thereof or as otherwise may be agreed to by the Issuing Lender and the Borrower. The Issuing Lender shall furnish a copy of such Letter of Credit to the Borrower (with a copy to the Administrative Agent) promptly following the issuance thereof. The Issuing Lender shall promptly furnish to the Administrative Agent, which shall in turn promptly furnish to the Lenders, notice of the issuance of each Letter of Credit (including the amount thereof).

3.9. Fees and Other Charges. (a) The Borrower will 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 the Eurodollar Loans under the Revolving Facility, shared ratably among the Revolving Lenders and payable in arrears on each L/C Fee Payment Date after the issuance date. In addition, the Borrower shall pay to the Issuing Lender for its own account a fronting fee on the undrawn and unexpired amount of each Letter of Credit at a per annum rate equal to 0.25%, payable in arrears on each L/C Fee Payment Date after the Issuance Date.

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

3.10. L/C Participations. (a) The Issuing Lender irrevocably agrees to grant and hereby grants to each L/C Participant, and, to induce the Issuing Lender to issue Letters of

Credit hereunder, each L/C Participant irrevocably agrees to accept and purchase and hereby accepts and purchases from the 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 the Issuing Lender's obligations and rights under and in respect of each Letter of Credit issued hereunder and the amount of each draft paid by the Issuing Lender thereunder. Each L/C Participant unconditionally and irrevocably agrees with the Issuing Lender that, if a draft is paid under any Letter of Credit for which the Issuing Lender is not reimbursed in full by the Borrower in accordance with the terms of this Agreement, such L/C Participant shall pay to the Administrative Agent upon demand of the Issuing Lender 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. The Administrative Agent shall promptly forward such amounts to the Issuing Lender.

(b) If any amount required to be paid by any L/C Participant to the Administrative Agent for the account of the Issuing Lender pursuant to Section 3.10(a) in respect of any unreimbursed portion of any payment made by the Issuing Lender under any Letter of Credit is paid to the Administrative Agent for the account of the Issuing Lender within three Business Days after the date such payment is due, such L/C Participant shall pay to the Administrative Agent for the account of the 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 the 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 3.10(a) is not made available to the Administrative Agent for the account of the Issuing Lender by such L/C Participant within three Business Days after the date such payment is due, the 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 Base Rate Loans under the Revolving Facility. A certificate of the Issuing Lender submitted to any L/C Participant with respect to any amounts owing under this Section shall be conclusive in the absence of manifest error.

(c) Whenever, at any time after the 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 3.10(a), the Administrative Agent or the Issuing Lender receives any payment related to such Letter of Credit (whether directly from the Borrower or otherwise, including proceeds of collateral applied thereto by the Issuing Lender), or any payment of interest on account thereof, the Administrative Agent or the Issuing Lender, as the case may be, will distribute to such L/C Participant its pro rata share thereof; provided, however, that in the event that any such payment received by Administrative Agent or the Issuing Lender, as the case may be, shall be required to be returned by the Administrative Agent or the Issuing Lender, such L/C Participant shall return to the Administrative Agent for the account of the Issuing Lender the portion thereof previously distributed by the Administrative Agent or the Issuing Lender, as the case may be, to it.

3.11. Reimbursement Obligation of the Borrower. The Borrower agrees to reimburse the Issuing Lender on the same Business Day on which the Issuing Lender notifies the

Borrower of the date and amount of a draft presented under any Letter of Credit and paid by the Issuing Lender for the amount of (a) such draft so paid and (b) any taxes, fees, charges or other costs or expenses incurred by the Issuing Lender in connection with such payment. Each such payment shall be made to the Issuing Lender at its address for notices referred to herein 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 the rate set forth in (i) until the Business Day next succeeding the date of the relevant notice, Section 4.5(b) and (ii) thereafter, Section 4.5(c). Each drawing under any Letter of Credit shall constitute a request by the Borrower to the Administrative Agent for a borrowing pursuant to Section 3.2 of Base Rate Loans (or, at the option of the Administrative Agent and the Swingline Lender in their sole discretion, a borrowing pursuant to Section 3.4 of Swingline Loans) in the amount of such drawing. The Borrowing Date with respect to such borrowing shall be the first date on which a borrowing of Revolving Loans (or, if applicable, Swingline Loans) could be made, pursuant to Section 3.2 or, if applicable, Section 3.4), if the Administrative Agent had received a notice of such borrowing at the time the Administrative Agent receives notice from the Issuing Lender of such drawing under such Letter of Credit.

3.12. Obligations Absolute. The Borrower's obligations under Section 3.11 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 the Issuing Lender, any beneficiary of a Letter of Credit or any other Person. The Borrower also agrees with the Issuing Lender that the Issuing Lender shall not be responsible for, and the Borrower's Reimbursement Obligations under Section 3.11 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. The Issuing Lender shall not 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 or omissions found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the Issuing Lender. The Borrower agrees that any action taken or omitted by the 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 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 the Issuing Lender to the Borrower.

3.13. Letter of Credit Payments. If any draft shall be presented for payment under any Letter of Credit, the Issuing Lender shall promptly notify the Borrower of the date and amount thereof. The responsibility of the Issuing Lender to the Borrower in connection with any draft presented for payment under any Letter of Credit 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.

3.14. 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.

3.15. Cash Collateralization of Letters of Credit.

(a) If any Event of Default shall occur and be continuing and the Borrower receives notice from the Administrative Agent or Required Lenders demanding the deposit of cash collateral pursuant to this paragraph, then by no later than the third Business Day following the Business Day that the Borrower receives such notice the Borrower shall deposit on terms and in accounts reasonably satisfactory to the Collateral Agent, in the name of the Collateral Agent and for the benefit of the Revolving Lenders, an amount in cash equal to 105% of the aggregate undrawn amount of all outstanding Letters of Credit as of such date. Funds so deposited shall be applied by the Collateral Agent to the Borrower's unpaid Reimbursement Obligations and, to the extent not so applied, shall be held for the satisfaction of future Reimbursement Obligations or, if the maturity of the Loans has been accelerated (but subject to the consent of Required Lenders), be applied to satisfy other Obligations of the Borrower under this Agreement.

(b) If the Borrower is required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, such amount plus any accrued interest or realized profits with respect to such amounts (to the extent not applied as aforesaid) shall be returned to the Borrower within five (5) Business Days after all Events of Default have been cured or waived. Additionally, if the Borrower was required hereunder to provide cash collateral other than as a result of the occurrence of an Event of Default and the amount of such cash collateral subsequently exceeds the amount then required under this Agreement, any such excess cash collateral shall be returned to the Borrower upon the Borrower's written request.

SECTION 4. GENERAL PROVISIONS APPLICABLE TO LOANS AND LETTERS OF CREDIT; LIEN PRIORITY

4.1. Optional Prepayments. The Borrower may at any time and from time to time prepay the Loans, in whole or in part, without premium or penalty, upon irrevocable notice delivered to the Administrative Agent no later than 11:00 A.M., New York City time, three Business Days prior thereto, in the case of Eurodollar Loans, and no later than 11:00 A.M., New York City time, one Business Day prior thereto, in the case of Base Rate Loans, which notice shall specify the date and amount of prepayment and whether the prepayment is of Eurodollar Loans or Base Rate Loans; provided, that if a Eurodollar 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 4.11. Upon receipt of any such notice the Administrative Agent shall promptly notify each 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 Base Rate Loans and Swingline Loans) accrued interest to such date on the amount prepaid. Partial prepayments of Revolving Loans shall be in an aggregate principal amount of $1,000,000 or a whole multiple thereof. Partial prepayments of Swingline Loans shall be in an aggregate principal amount of $100,000 or integral multiples of $100,000 in excess thereof.

4.2. Mandatory Prepayments and Commitment Reductions.(a) If any Capital Stock shall be issued by Holdings or the Borrower or any capital contribution is made to Holdings or the Borrower, an amount equal to 100% of the Net Cash Proceeds thereof shall be applied on the date of such issuance, incurrence or contribution toward the prepayment of the Loans and the reduction of the Revolving Commitments as set forth in Section 4.2(e).

(b) If any Indebtedness shall be incurred by any Group Member (other than Excluded Indebtedness), an amount equal to 100% of the Net Cash Proceeds thereof shall be applied on the date of such issuance, incurrence or contribution toward the prepayment of the Loans and the reduction of the Revolving Commitments as set forth in Section 4.2(e).

(c) If on any date any Group Member shall receive Net Cash Proceeds from any Asset Sale or Recovery Event then such Net Cash Proceeds shall be applied on such date toward the prepayment of Loans and the reduction of the Revolving Commitments as set forth in Section 4.2(e); provided, that, notwithstanding the foregoing, (i) the aggregate Net Cash Proceeds of Recovery Events that may be excluded from the foregoing requirement pursuant to a Reinvestment Notice shall not exceed $5,000,000 in the aggregate and (ii) on each Reinvestment Prepayment Date, an amount equal to the Reinvestment Prepayment Amount with respect to the relevant Reinvestment Event shall be applied toward the repayment of the Loans and the reduction of the Revolving Commitments as set forth in Section 4.2(e).

(d) [Reserved]

(e) Amounts to be applied in connection with prepayments of Loans and Revolving Commitment reductions made pursuant to Sections 4.2(a), (b) and (c) shall be applied to reduce permanently the Revolving Commitments until Payment in Full of the Revolving Facility (except that the Borrower may elect in writing to not have voluntary prepayments permanently reduce Revolving Commitments). Any such reduction of the Revolving Commitments shall be accompanied by prepayment of the Revolving Loans and/or Swingline 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 and Swingline 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, Cash Collateralize outstanding Letters of Credit. The application of any prepayment pursuant to Section 4.2 shall be made, first, to Base Rate Loans and, second, to Eurodollar Loans. Each prepayment of the Loans under Section 4.2 (except in the case of Revolving Loans that are Base Rate Loans and Swingline Loans) shall be accompanied by accrued and unpaid interest to the date of such prepayment on the amount prepaid.

(f) The Borrower shall from time to time prepay Revolving Loans (and, after prepaying all Revolving Loans, Cash Collateralize any outstanding Letters of Credit) to the extent necessary so that the Total Revolving Extensions of Credit shall not at any time exceed the lesser of (1) the Total Revolving Commitments then in effect and (2) the Borrowing Base then in effect.

(g) The Borrower shall calculate the aggregate balance of cash and Cash Equivalents held by the Loan Parties (calculated based on bank balances, without deduction of any outstanding drafts or other outstanding items) as of the last Business Day of the second week after the Closing Date, and each second week thereafter (each such date, a "Cash Measurement Date") and shall deliver to the Administrative Agent on the first Business Day following each Cash Measurement Date a certificate in the form of Exhibit M (a "Bi-Weekly Cash Report"), and if such balance exceeds $5,000,000, then the amount of such excess shall be applied on the next Business Day to the prepayment of any outstanding Revolving Loans (without reduction of Revolving Commitments); provided, however, that should the Borrower fail to deliver such certificate referenced above on any Cash Measurement Date, any Lender (or any affiliate of a Lender) holding cash deposits of any Loan Party shall be authorized by the Borrower on the next succeeding Business Day to transfer to the Administrative Agent the amount of such excess amounts, as determined by such Lender or Lender affiliate in good faith, then held in accounts with such Lender or Lender affiliate, and the Borrower and each Lender agrees that neither such Lender or Lender affiliate nor the Administrative Agent shall bear any liability for any error in the determination of such excess amounts.

4.3. Conversion and Continuation Options. (a) The Borrower may elect from time to time to convert Eurodollar Loans to Base Rate Loans by giving the Administrative Agent prior irrevocable notice of such election no later than 11:00 A.M., New York City time, on the Business Day preceding the proposed conversion date, provided that any such conversion of Eurodollar Loans may only be made on the last day of an Interest Period with respect thereto. The Borrower may elect from time to time to convert Base Rate Loans to Eurodollar Loans by giving the Administrative Agent prior irrevocable notice of such election no later than 11:00 A.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 Base Rate Loan may be converted into a Eurodollar Loan when any Event of Default has occurred and is continuing and the Administrative Agent has or the Required Lenders 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 Eurodollar Loan may be continued as such upon the expiration of the then current Interest Period with respect thereto 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, of the length of the next Interest Period to be applicable to such Loans, provided that no Eurodollar Loan may be continued as such when any Event of Default has occurred and is continuing and the Administrative Agent has or the Required Lenders have determined in its or their sole discretion not to permit such continuations, 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 Base Rate 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.

4.4. Limitations on Eurodollar Tranches. Notwithstanding anything to the contrary in this Agreement, all borrowings, conversions and continuations of Eurodollar Loans hereunder and all selections of Interest Periods hereunder 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 Eurodollar Loans comprising each Eurodollar Tranche shall be equal to $1,000,000 or integral multiples of $100,000 in excess thereof and (b) no more than five Eurodollar Tranches shall be outstanding at any one time.

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

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

(c) (i) If all or a portion of the principal amount of any Loan or Reimbursement Obligation shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), all outstanding Loans and Reimbursement Obligations (whether or not overdue) shall bear interest at a rate per annum equal to (x) in the case of the Loans, the rate that would otherwise be applicable thereto pursuant to the foregoing provisions of this Section plus 2% or (y) in the case of Reimbursement Obligations, the rate applicable to Base Rate Loans plus 2%, and (ii) if all or a portion of any interest payable on any Loan or Reimbursement Obligation or any commitment fee or other amount payable hereunder shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest at a rate per annum equal to the rate then applicable to Base Rate Loans plus 2%, in each case, with respect to clauses (i) and (ii) above, from the date of such non payment until such amount is paid in full (after as well as before judgment).

(d) Interest shall be payable 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.

4.6. 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 Base Rate 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. The Administrative Agent shall as soon as practicable notify the Borrower and the relevant Lenders of each determination of a Eurodollar Rate. Any change in the interest rate on a Loan resulting from a change in the Base Rate 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 conclusive and binding on the Borrower and the Lenders 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 4.5(a).

4.7. 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 conclusive and binding upon the Borrower) that, by reason of circumstances affecting the relevant market, adequate and reasonable means do not exist for ascertaining the Eurodollar Rate for such Interest Period, or

(b) the Administrative Agent shall have received notice from the Required Lenders that the Eurodollar Rate determined or to be determined for such Interest Period will not adequately and fairly reflect the cost to such Lenders (as conclusively 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 Eurodollar Loans requested to be made on the first day of such Interest Period shall be made as Base Rate Loans, (y) any Loans that were to have been converted on the first day of such Interest Period to Eurodollar Loans shall be continued as Base Rate Loans and (z) any outstanding Eurodollar Loans shall be converted, on the last day of the then-current Interest Period, to Base Rate Loans. Until such notice has been withdrawn by the Administrative Agent, no further Eurodollar Loans shall be made or continued as such, nor shall the Borrower have the right to convert Loans to Eurodollar Loans.

4.8. 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 Commitments of the Lenders shall be made pro rata according to the respective Revolving Percentages of the Lenders.

(b) [Reserved]

(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.

(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 12:00 Noon, New York City time, on the due date thereof to the Administrative Agent, for the account of the Lenders, at the Funding Office, in Dollars and in immediately available funds. The Administrative Agent shall distribute such payments to the Lenders promptly upon receipt in like funds as received. If any payment hereunder (other than payments on the Eurodollar 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 Eurodollar 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 conclusive 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 of such Borrowing Date, the Administrative Agent shall also be entitled to recover such amount with interest thereon at the rate per annum applicable to Base Rate Loans, on demand, from the Borrower.

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 the Administrative Agent may, but shall not be required to, in reliance upon such assumption, make available to the 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 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.

4.9. 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 made 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 Eurodollar Loan made by it, or change the basis of taxation of payments to such Lender in respect thereof (except for Non-Excluded Taxes covered by Section 4.10 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 Eurodollar Rate hereunder; or

(iii) shall impose on such Lender any other condition;

and the result of any of the foregoing is to increase the cost to such Lender, by an amount that such Lender deems to be material, of making, converting into, continuing or maintaining Eurodollar Loans or issuing or participating in Letters of Credit, or to reduce any amount receivable hereunder in respect thereof, then, in any such case, the Borrower shall promptly pay such Lender, upon its demand, 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 paragraph, 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 made 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 written request therefor, 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 conclusive 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 six 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 six-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 Loans and all other amounts payable hereunder.

4.10. Taxes. (a) All payments made by the Borrower under this Agreement shall be made free and clear of, and without deduction or withholding for or on account of, any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority, excluding net income taxes and franchise taxes (imposed in lieu of net

income taxes) imposed on any Agent or any Lender as a result of a present or former connection between such Agent or such Lender 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 such 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). If any such non-excluded taxes, levies, imposts, duties, charges, fees, deductions or withholdings ("Non-Excluded Taxes") or Other Taxes are required to be withheld from any amounts payable to any Agent or any Lender hereunder, the amounts so payable to such Agent or such Lender shall be increased to the extent necessary to yield to such Agent or such Lender (after payment of all Non-Excluded Taxes and Other Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement, provided, however, that the Borrower shall not be required to increase any such amounts payable to any Lender with respect to any Non-Excluded Taxes (i) that are attributable to such Lender's failure to comply with the requirements of paragraph (d) or (e) of this Section or (ii) that are United States withholding taxes imposed on amounts payable to such Lender at the time such Lender becomes a party to this Agreement (or, in the case of a Participant, on the date such Participant becomes a Participant hereunder), 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 Non-Excluded 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 the Borrower, as promptly as possible thereafter the Borrower shall send to the Administrative Agent for its own account or for the account of the relevant Agent or Lender, as the case may be, a certified copy of an original official receipt received by the Borrower showing payment thereof. If the Borrower fails to pay any Non-Excluded Taxes or Other Taxes when due to the appropriate taxing authority or fails to remit to the Administrative Agent the required receipts or other required documentary evidence, the Borrower shall indemnify the Agents and the Lenders for any incremental taxes, interest or penalties that may become payable by any Agent or any Lender as a result of any such failure.

(d) Each Lender (or Transferee) that is not a "U.S. Person" as defined in Section 7701(a)(30) of the Code (a "Non U.S. Lender") shall deliver to the Borrower and the Administrative Agent (or, (x) in the case of a Participant, solely to the Lender from which the related participation shall have been purchased and (y) in the case of an Assignee under an assignment to an affiliate of a Lender or an Approved Fund that is made pursuant to Section 11.6(b)(iii), the assigning Lender) two copies of either U.S. Internal Revenue Service Form W-8BEN or Form W-8ECI, or, in the case of a Non U.S. Lender claiming exemption from U.S. 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 G and a Form W-8BEN, or any subsequent versions thereof or successors thereto, properly completed and duly executed by such Non U.S. Lender claiming complete exemption from, or a reduced rate of, U.S. federal withholding tax on all payments by the Borrower under this Agreement and the other Loan Documents. Such forms shall be delivered by each Non U.S. 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 U.S. Lender shall deliver such forms promptly upon the obsolescence or invalidity of any form previously delivered by such Non U.S. Lender. Each Non-U.S. Lender shall promptly notify the Borrower at any time it determines that it is no longer in a position to provide any previously delivered certificate to the Borrower (or any other form of certification adopted by the U.S. taxing authorities for such purpose). Notwithstanding any other provision of this paragraph, a Non U.S. Lender shall not be required to deliver any form pursuant to this paragraph that such Non U.S. Lender is not legally able to deliver.

(e) A Lender that is entitled to an exemption from or reduction of non-U.S. withholding tax under the law of the jurisdiction in which the Borrower is located, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement shall deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable law or reasonably requested in writing by the Borrower, such properly completed and executed documentation prescribed by applicable law as will permit such payments to be made without withholding or at a reduced rate, provided that such Lender is legally entitled to complete, execute and deliver such documentation and in such Lender's judgment such completion, execution or submission would not materially prejudice the legal position of such Lender.

(f) If the Administrative Agent or any Lender determines, in its sole 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 4.10, it shall 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 4.10 with respect to the Non-Excluded Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of such 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 such 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) to such Agent or such Lender in the event such Agent or such Lender is required to repay such refund to such Governmental Authority. This paragraph shall not be construed to require any 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.

(g) The agreements in this Section shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder or under any other Loan Document.

4.11. Indemnity. The Borrower agrees to indemnify each Lender and to hold each Lender harmless from any loss, cost or expense that such Lender may sustain or incur as a consequence of (a) default by the Borrower in making a borrowing of, conversion into or continuation of Eurodollar 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 Eurodollar Loans after the Borrower has given a notice thereof in accordance with the provisions of this Agreement, (c) the making of a prepayment of

or conversion from Eurodollar Loans on a day that is not the last day of an Interest Period with respect thereto or (d) any other default by the Borrower in the repayment of Eurodollar Loans when and as required pursuant to the terms of this Agreement. Such indemnification may include an amount equal to the excess, if any, of (i) the amount of interest that would have accrued on the amount so prepaid, or not so borrowed, converted or continued, for the period from the date of such prepayment or of such failure to borrow, convert or continue to the last day of such Interest Period (or, in the case of a failure to borrow, convert or continue, the Interest Period that would have commenced on the date of such failure) in each case at the applicable rate of interest for such Loans provided for herein (excluding, however, the Applicable Margin included therein, if any) over (ii) the amount of interest (as reasonably determined by such Lender) that would have accrued to such Lender on such amount by placing such amount on deposit for a comparable period with leading banks in the interbank eurodollar market. A certificate as to any amounts payable pursuant to this Section submitted to the Borrower by any Lender shall be conclusive in the absence of manifest error. This covenant shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

4.12. Change of Lending Office. Each Lender agrees that, upon the occurrence of any event giving rise to the operation of Section 4.9 or 4.10(a) 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 sole judgment of such Lender, cause such Lender and its lending office(s) to suffer no 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 4.9 or 4.10(a).

4.13. Replacement of Lenders. The Borrower shall be permitted to replace with a replacement financial institution any Lender that (a) requests reimbursement for amounts owing pursuant to Section 4.9 or 4.10(a) (such Lender, an "Affected Lender"), (b) is a Defaulting Lender, or (c) does not consent to any proposed amendment, modification, waiver or consent with respect to the provisions hereof or of any other Loan Document as contemplated by clauses (i), (ii), (iii), (iv), (v) and (vi) of Section 11.1 if the consent of the Required Lenders has been received with respect to such amendment, modification, waiver or consent (such Lender, a "Non-Consenting Lender"); 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) in the case of an Affected Lender, prior to any such replacement, such Lender shall have taken no action under Section 4.12 so as to eliminate the continued need for payment of amounts owing pursuant to Section 4.9 or 4.10(a), (iv) the replacement financial institution shall purchase, at par, all Loans and other amounts owing to such replaced Lender on or prior to the date of replacement, (v) the Borrower shall be liable to such replaced Lender under Section 4.11 if any Eurodollar Loan owing to such replaced Lender shall be purchased other than on the last day of the Interest Period relating thereto, (vi) the replacement financial institution, if not already a Lender, shall be reasonably satisfactory to the Administrative Agent, (vii) the replaced Lender shall be obligated to make such replacement in accordance with the provisions of Section 11.6 (provided that the Borrower shall be obligated to pay the registration and processing fee referred to therein), (viii) until such time as such replacement shall be consummated, the

Borrower shall pay all additional amounts (if any) required pursuant to Section 4.9 or 4.10(a), as the case may be, (ix) 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 and (x) in the case of a Non-Consenting Lender, the replacement financial institution shall consent at the time of such assignment to each matter in respect of which the replaced Lender was a Non-Consenting Lender.

4.14. Evidence of Debt. (a) 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.

(b) The Administrative Agent, on behalf of the Borrower (or, in the case of an assignment not required to be recorded in the Register in accordance with the provisions of Section 11.6(b)(v), the assigning Lender, acting solely for this purpose as a non-fiduciary agent of the Borrower), shall maintain the Register (or, in the case of an assignment not required to be recorded in the Register in accordance with the provisions of Section 11.6(b)(v), a Related Party Register), in each case pursuant to Section 11.6(b), and a subaccount therein for each applicable Lender, in which shall be recorded (i) the amount of each Loan made to such Lender hereunder and any Note evidencing such Loan, the Type of such Loan and each Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to such Lender hereunder and (iii) both the amount of any sum received by the Administrative Agent (or, in the case of an assignment not required to be recorded in the Register in accordance with the provisions of Section 11.6(b)(v), the assigning Lender) hereunder from the Borrower and such Lender's share thereof.

(c) The entries made in the Register and the accounts of each Lender maintained pursuant to Section 4.14(a) 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 any Lender or the Administrative Agent 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.

(d) The Borrower agrees that, upon the request to the Administrative Agent by any Lender, the Borrower will execute and deliver to such Lender a promissory note of the Borrower evidencing any Revolving Loans or Swingline Loans, as the case may be, of such Lender, substantially in the forms of Exhibit H-1 or H-2, respectively, with appropriate insertions as to date and principal amount.

4.15. 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 shall make it unlawful for any Lender to make or maintain Eurodollar Loans as contemplated by this Agreement, (a) the commitment of such Lender hereunder to make Eurodollar Loans, continue Eurodollar Loans as such and convert Base Rate Loans to Eurodollar Loans shall forthwith be canceled and (b) such Lender's Loans then outstanding as Eurodollar Loans, if any, shall be converted automatically to Base Rate 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 Eurodollar 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 4.11.

4.16. Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) if any L/C Obligations or Swingline Loans are then outstanding at the time a Lender becomes a Defaulting Lender then:

(i) such L/C Obligations and Swingline Participation Amounts shall be reallocated among the non-Defaulting Lenders in accordance with their respective Revolving Percentage but only to the extent the sum of all non-Defaulting Lenders' Revolving Extensions of Credit plus such Defaulting Lender's Revolving Percentage of the L/C Obligations and Swingline Participation Amount does not exceed the total of all non-Defaulting Lenders' Revolving Commitments;

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Borrower shall within one Business Day following notice by the Administrative Agent (x) first, prepay such Defaulting Lender's Swingline Participation Amount and (y) second, deposit on terms and in accounts reasonably satisfactory to the Collateral Agent, in the name of the Collateral Agent and for the Benefit of the Revolving Lenders, an amount in cash equal to 105% of such Defaulting Lender's Revolving Percentage of L/C Obligations then outstanding (after giving effect to any partial reallocation pursuant to clause (i) above), and such amount shall remain in such cash collateral account for so long as such Letters of Credit are outstanding;

(iii) if any portion of such Defaulting Lender's Revolving Percentage of outstanding Letters of Credit is reallocated to the non-Defaulting Lenders pursuant to clause (i) above, then (A) the fees required pursuant to Section 3.9(a) with respect to such portion shall be allocated among the non-Defaulting Lenders in accordance with their Revolving Percentages and (B) any cash collateral provided for in clause (ii) above shall be returned to the Borrower to the extent of the reallocation; or

(iv) if any portion of such Defaulting Lender's Revolving Percentage of outstanding Letters of Credit is neither Cash Collateralized nor reallocated pursuant to this Section 4.16(b), then, without prejudice to any rights or remedies of the Issuing Lender or any Lender hereunder, the commitment fee that otherwise would have been payable to such Defaulting Lender (with respect to the portion of such Defaulting Lender's Revolving Commitment that was utilized by such Revolving Percentage of outstanding Letters of Credit) pursuant to Section 3.5 and any fees payable with respect to such Revolving Percentage of

outstanding Letters of Credit shall be payable to the Issuing Lender until such Defaulting Lender's Revolving Percentage of outstanding Letters of Credit is Cash Collateralized and/or reallocated;

(b) so long as any Lender is a Defaulting Lender, the Swingline Lender shall not be required to fund any Swingline Loans and the Issuing Lender shall not be required to issue, amend or increase any Letter of Credit, unless it is satisfied that the related exposure will be 100% covered by the Revolving Commitments of the non-Defaulting Lenders and/or cash collateralized in accordance with clause (a)(ii) above, and participations in any such newly issued or increased Letter of Credit or newly made Swingline Loan shall be allocated among non-Defaulting Lenders in accordance with their respective Revolving Percentages (and Defaulting Lenders shall not participate therein); and

(c) any amount payable to such Defaulting Lender hereunder (whether on account of principal, interest, fees or otherwise and including any amount that would otherwise be payable to such Defaulting Lender pursuant to Section 11.7(a) but excluding amounts payable to such Defaulting Lender pursuant to Section 4.13) may, in lieu of being distributed to such Defaulting Lender, be retained by the Administrative Agent in a segregated non-interest bearing account and, subject to any applicable Requirements of Law, be applied at such time or times as may be determined by the Administrative Agent (i) first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder, (ii) second, pro rata, to the payment of any amounts owing by such Defaulting Lender to the Issuing Lender or Swingline Lender hereunder, (iii) third, to the funding of any Loan or the funding or cash collateralization of any participation in any Swingline Loan or Letter of Credit in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent, (iv) fourth, if so determined by the Administrative Agent and the Borrower, held in such account as cash collateral for future funding obligations of the Defaulting Lender under this Agreement, (v) fifth, pro rata, to the payment of any amounts owing to the Borrower or the Lenders as a result of any judgment of a court of competent jurisdiction obtained by the Borrower or any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement and (vi) sixth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if such payment is (x) a prepayment of the principal amount of any Loans or L/C Obligations which a Defaulting Lender has funded its participation obligations and (y) made at a time when the conditions set forth in Section 6.2 are satisfied, such payment shall be applied solely to prepay the Loans of, and reimbursement obligations owed to, all non-Defaulting Lenders pro rata prior to being applied to the prepayment of any Loans, or L/C Obligations owed to, any Defaulting Lender.

In the event that the Administrative Agent, the Issuing Lender, the Swingline Lender and the Borrower, each agrees that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the exposure of the Lenders with respect to L/C Obligations and Swingline Participation Amounts shall be readjusted to reflect the inclusion of such Lender's Commitment and on such date such Lender shall purchase at par such of the Loans of the other Lenders as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Loans in accordance with its Revolving Percentage. The rights and remedies against a Defaulting Lender under this Section 4.16 are in addition to other

rights and remedies that the Borrower, the Administrative Agent, the Issuing Lender, the Swingline Lender and the non-Defaulting Lenders may have against such Defaulting Lender. The arrangements permitted or required by this Section 4.16 shall be permitted under this Agreement, notwithstanding any limitation on Liens or the pro rata sharing provisions or otherwise.

4.17. Priority and Liens..

(a) Superpriority Claims and Liens. Each of the Loan Parties hereby covenants, represents and warrants that, upon entry of the Final Order, the Obligations authorized by the Final Order of the Borrower and the Guarantors under the Loan Documents: (i) pursuant to Sections 364(c)(1) and 507(b) of the Bankruptcy Code, constitute joint and several allowed administrative expense claims in the Cases having priority over all administrative expenses of the kind specified in Sections 503(b), 507(a) or 507(b) of the Bankruptcy Code; (ii) pursuant to Sections 361, 362, 364(c)(2), 364(c)(3) and 364(d) of the Bankruptcy Code and the Security Documents, shall be secured by, and each Loan Party shall have granted to the Collateral Agent, for the benefit of the Secured Parties, a perfected first priority Lien on all presently owned and hereafter acquired tangible and intangible property and assets of the Borrower, the Guarantors and their respective estates wherever located, and any proceeds and products thereof, including without limitation, accounts, deposit accounts, cash, chattel paper, investment property, letter-of-credit rights, securities accounts, commercial tort claims, investments, instruments, documents, inventory, contract rights, general intangibles, intellectual property, real property, fixtures, goods, equipment and other fixed assets and proceeds and products of all of the foregoing (including insurance proceeds) that is (A) not subject to Existing Liens or post-petition Liens permitted hereunder and (B) subject to Existing Liens and to post-petition Liens permitted hereunder, junior to such Existing Liens and (iii) pursuant to Section 364(d)(1) of the Bankruptcy Code and the Security Documents, shall be secured by, and each Loan Party shall have granted to the Collateral Agent, for the benefit of the Secured Parties, a perfected first priority senior priming Lien on all presently owned and hereafter acquired tangible and intangible property and assets of the Borrower, the Guarantors and their respective estates wherever located, and any proceeds and products thereof, including without limitation, accounts, deposit accounts, cash, chattel paper, investment property, letter-of-credit rights, securities accounts, commercial tort claims, investments, instruments, documents, inventory, contract rights, general intangibles, intellectual property, real property, fixtures, goods, equipment and other fixed assets and proceeds and products of all of the foregoing (including insurance proceeds) that is subject to existing Liens that secure the Borrower's and the Guarantors' Indebtedness and other obligations under the Prepetition Facilities and any Liens that are junior thereto, including any Liens granted on or after the Filing Date to provide adequate protection in respect of the Prepetition Facilities (provided that, notwithstanding anything to the contrary in clauses (a)(ii) and (a)(iii), in no event shall the Obligations be secured by any pledge in excess of 65% of the total outstanding Capital Stock of any Excluded Foreign Subsidiary (if adverse tax consequences could result to the Borrower or the Guarantors)) or any Avoidance Actions; in the case of each of clauses (a)(i), (a)(ii) and (a)(iii) subject only to (x) on and after delivery of notice by the Administrative Agent to the Borrower that an Event of Default has occurred and the Lenders desire to trigger the Carve-Out (a "Carve-Out Trigger Notice"), the payment of allowed and unpaid professional fees and disbursements incurred by the Borrower and the Guarantors on or after the date of delivery of the Carve-Out Trigger Notice in an

aggregate amount not in excess of $500,000 plus the amount of unpaid professional fees and expenses incurred by the Borrower and the Guarantors and any statutory committees appointed in the Cases prior to the date of delivery of the Carve-Out Trigger Notice and (y) the payment of fees pursuant to 28 U.S.C. § 1930 ((x) and (y), together, the "Carve-Out"); provided that, except as otherwise provided in the Final Order, no portion of the Carve-Out shall be utilized for the payment of professional fees and disbursements incurred in connection with any challenge to the amount, extent, priority, validity, perfection or enforcement of the Indebtedness of the Borrower and the Guarantors owing to the Lenders, the Agents or indemnified parties under the Revolving Facility or to the collateral securing the Revolving Facility. The Lenders agree that so long as no Event of Default shall have occurred and be continuing, the Borrower and the Guarantors shall be permitted to pay compensation and reimbursement of expenses allowed and payable under 11 U.S.C. § 330 and 11 U.S.C. § 331, as the same may be due and payable, and the same shall not reduce the Carve-Out. The foregoing shall not be construed as a consent to the allowance of any fees and expenses referred to above and shall not affect the right of the Agents and the Lenders to object to the allowance and payment of such amounts.

(b) Collateral Security Perfection. Each of the Loan Parties agrees to take all action that the Collateral Agent or the Required Lenders may reasonably request as a matter of nonbankruptcy law to perfect and protect the Collateral Agent's Liens for the benefit of the Secured Parties, and upon the Collateral and for such Liens to obtain the priority therefor contemplated hereby, including, without limitation, executing and delivering such documents and instruments, financing statements, providing such notices and assents of third parties, obtaining such governmental authorizations and providing such other instruments and documents in recordable form as the Collateral Agent or any Lender may reasonably request. Each Loan Party hereby irrevocably authorizes the Collateral Agent at any time and from time to time to file in any filing office in any Uniform Commercial Code ("UCC") jurisdiction any initial financing statements and amendments thereto that (a) indicate the Collateral (i) as all assets of such Loan Party or words of similar effect, regardless of whether any particular asset comprised in the Collateral falls within the scope of Article 9 of the UCC of the State of Delaware or such other jurisdiction, or (ii) as being of an equal or lesser scope or with greater detail, and (b) provide any other information required by part 5 of Article 9 of the UCC of the State of Delaware or such other jurisdiction for the sufficiency or filing office acceptance of any financing statement or amendment, including (i) whether such Loan Party is an organization, the type of organization and any organization identification number issued to such Loan Party and, (ii) in the case of a financing statement filed as a fixture filing, a sufficient description of real property to which the Collateral relates. Such Loan Party agrees to furnish any such information to the Collateral Agent promptly upon request. Notwithstanding the provisions of this Section 4.17(b), the Collateral Agent and the Lenders shall have the benefits of the Final Order as set forth in Section 6.1(b) hereof.

(c) Real Property. Subject in all respects to the priorities set forth in Section 4.17(a) above and to the Carve-Out, the Borrower grants, and shall cause each Guarantor to grant, to the Collateral Agent on behalf of the Secured Parties a security interest in, and mortgage on, all of the right, title and interest of the Borrower and the Guarantors in all real property owned or leased by the Borrower or any of the Guarantors, 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 shall, and shall cause each Guarantor to, acknowledge that, pursuant to the Final Order, the Liens in favor of the Collateral Agent on behalf of the Secured Parties in all of such real property and leasehold interests shall be perfected without the recordation of any instruments of mortgage or assignment and the Collateral Agent and the Lenders shall have the benefits of the Final Order as set forth in Section 6.1(b) hereof. The Loan Parties agree that upon the reasonable request of the Collateral Agent, the Borrower and such Guarantor shall promptly enter into separate fee or leasehold mortgages in recordable form with respect to such properties on terms reasonably satisfactory to the Collateral Agent.

(d) Set Off. Subject to Section 9 hereof and the Final Order, upon the occurrence and during the continuance of any Event of Default, each Agent and each Lender is hereby authorized at any time and from time to time, to the fullest extent permitted by law and without further order of or application to the Bankruptcy Court, to set off and apply any and all deposits (general or special, time or demand, provisional or final) (other than payroll, trust and tax accounts) at any time held and other indebtedness at any time owing by each such Agent and each such Lender to or for the credit or the account of the Borrower or any Guarantor against any and all of the obligations of the Borrower or such Guarantor under the Loan Documents, whether or not such obligations are then due. The rights of each Lender and each Agent under this Section 4.17(c) are in addition to other rights and remedies which such they may have upon the occurrence and during the continuance of any Event of Default under the Loan Documents or the Order.

(e) Discharge. The Loan Parties agree, that (i) its obligations hereunder shall not be discharged by the entry of an order confirming the Plan of Reorganization (and the Borrower and each Guarantor, pursuant to Section 1141(d)(4) of the Bankruptcy Code, hereby waives any such discharge) and (ii) the Superpriority Claim granted to the Agents and the Lenders pursuant to the Order and described in Section 4.17(a) and the Liens granted to the Collateral Agent pursuant to the Final Order and the Security Documents shall not be affected in any manner by the entry of an order confirming the Plan of Reorganization.

(f) Guarantees. The Obligations shall be guaranteed by Holdings and each Subsidiary (direct or indirect, other than the Borrower, any Excluded Foreign Subsidiary, Locust East 140th Street L.P or MF Real Estate LLC) of Holdings pursuant to the terms of the Guaranty. The Loan Parties shall notify the Lenders of the acquisition or formation of any new Subsidiary prior to such acquistion or formation. The Loan Parties shall, at the request of the Required Lenders, promptly, and in any event within ten (10) Business Days of such request, cause each of its Subsidiaries which is not a Guarantor to (i) execute and deliver to each of the Lenders and each Agent a guaranty which is substantially in the form of the Guaranty and which is satisfactory to the Required Lenders in all respects and (ii) execute and deliver to each of the Lenders and each Agent all other documents and instruments, including, without limitation, the items set forth in Section 7.10, corporate authority documents and legal opinions, as the Required Lenders may reasonably request in connection with the delivery of such guaranty.

4.18. Guaranty.

(a) Each of the Guarantors jointly and severally hereby irrevocably and unconditionally guarantee to the Administrative Agent for the ratable benefit of the Secured

Parties the due and punctual payment in full of all Obligations when the same shall become due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. § 362(a)).

(b) Each Guarantor shall be liable under its guarantee set forth in Section 4.18(a), without any limitation as to amount, for all present and future Obligations, including specifically all future increases in the outstanding amount of the Loans or Reimbursement Obligations under this Agreement and other future increases in the Obligations, whether or not any such increase is committed, contemplated or provided for by the Loan Documents on the date hereof; provided that (i) enforcement of such guarantee against such Guarantor will be limited as necessary to limit the recovery under such guarantee to the maximum amount which may be recovered without causing such enforcement or recovery to constitute a fraudulent transfer or fraudulent conveyance under any applicable law, including any applicable federal or state fraudulent transfer or fraudulent conveyance law (giving effect, to the fullest extent permitted by law, to the reimbursement and contribution rights set forth in Section 4.18(e) and (ii) to the fullest extent permitted by applicable law, the foregoing clause (i) shall be for the benefit solely of creditors and representatives of creditors of each Guarantor and not for the benefit of such Guarantor or the holders of any equity interest in such Guarantor.

(c) The guarantee contained in this Section 4.18: (i) shall remain in full force and effect until all the Obligations and the obligations of each Guarantor under the guarantee contained in this Section 4.18 have been paid in full, no Letter of Credit is outstanding and all Commitments to extend credit under this Agreement have terminated, notwithstanding that from time to time during the term of this Agreement the Borrower may be free from any Obligations, (ii) unless released as provided in clause (iii) below, shall survive the repayment of the Loans and Reimbursement Obligations under this Agreement, the termination of Commitments, and the release of the Collateral and remain enforceable as to all Obligations that survive such repayment, termination and release and (iii) shall be released when and as set forth in the Loan Documents.

(d) No payment made by the Borrower, any of the Guarantors, any other guarantor or any other Person or received or collected by any Secured Party 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 in respect of any other Obligations then outstanding or thereafter incurred (other than to the extent such reduction reduces the Obligations).

(e) Reimbursement, Contribution and Subrogation. In case any payment is made on account of the Obligations by any Guarantor or is received or collected on account of the Obligations from any Guarantor or its property:

(i) If such payment is made by the Borrower or from its property, the Borrower shall not be entitled (i) to demand or enforce reimbursement or contribution in respect of such payment from any Guarantor or (ii) to be

subrogated to any claim, interest, right or remedy of any Secured Party against any other Person, including any Guarantor or its property.

(ii) If such payment is made by the Borrower or from its property or if any payment is made by the Borrower or from its property in satisfaction of the reimbursement right of any Subsidiary Guarantor set forth in Section 4.18(e)(iii), the Borrower shall not be entitled (i) to demand or enforce reimbursement or contribution in respect of such payment from any Guarantor or (ii) to be subrogated to any claim, interest, right or remedy of any Secured Party against any other Person, including any Guarantor or its property.

(iii) If such payment is made by a Guarantor or from its property, such Guarantor shall be entitled, subject to and upon payment in full of all outstanding Obligations, discharge of all Letters of Credit and termination of all Commitments to extend credit under the Loan Documents, (i) to demand and enforce reimbursement for the full amount of such payment from the Borrower and (ii) to demand and enforce contribution in respect of such payment from each other Guarantor which has not paid its fair share of such payment, as necessary to ensure that (after giving effect to any enforcement of reimbursement rights provided hereby) each Guarantor pays its fair share of the unreimbursed portion of such payment. For this purpose, the fair share of each Guarantor as to any unreimbursed payment shall be determined based on an equitable apportionment of such unreimbursed payment among all Guarantors based on the relative value of their assets (net of their liabilities, other than Obligations) and any other equitable considerations deemed appropriate by the court.

(iv) If and whenever any right of reimbursement or contribution becomes enforceable by any Guarantor against the Borrower or any other Guarantor under Section 4.18(e)(iii), such Guarantor shall be entitled, subject to and upon payment in full of all outstanding Obligations, discharge of all Letters of Credit and termination of all Commitments to extend credit under the Loan Documents to be subrogated (equally and ratably with all other Guarantors entitled to reimbursement or contribution from any other Loan Party under Section 4.18(e)(iii)) to any security interest that may then be held by the Collateral Agent upon any Collateral granted to it in by the Final Order, this Agreement or any Security Document. To the fullest extent permitted under applicable law, such right of subrogation shall be enforceable solely against the Loan Parties, and not against the Secured Parties, and neither the Administrative Agent nor any other Secured Party shall have any duty whatsoever to warrant, ensure or protect any such right of subrogation or to obtain, perfect, maintain, hold, enforce or retain any Collateral for any purpose related to any such right of subrogation.

(v) All rights and claims arising under this Section 4.18(e) or based upon or relating to any other right of reimbursement, indemnification, contribution or subrogation that may at any time arise or exist in favor of any Loan Party as to any payment on account of the Obligations made by it or

received or collected from its property shall be fully subordinated in all respects to the prior payment in full of all of the Obligations. Until payment in full of the Obligations, discharge of all Letters of Credit and termination of all Commitments, no Loan Party shall demand or receive any collateral security, payment or distribution whatsoever (whether in cash, property or securities or otherwise) on account of any such right or claim. If any such payment or distribution is made or becomes available to any Loan Party in any bankruptcy case or receivership, insolvency or liquidation proceeding, such payment or distribution shall be delivered by the person making such payment or distribution directly to the Administrative Agent, for application to the payment of the Obligations. If any such payment or distribution is received by any Loan Party, it shall be held by such Guarantor in trust, as trustee of an express trust for the benefit of the Secured Parties, and shall forthwith be transferred and delivered by such Loan Party to the Administrative Agent, in the exact form received and, if necessary, duly endorsed.

(vi) The obligations of the Loan Parties under this Agreement and the other Loan Documents, including their liability for the Obligations and the enforceability of the security interests granted thereby, are not contingent upon the validity, legality, enforceability, collectibility or sufficiency of any right of reimbursement, contribution or subrogation arising under this Section 4.18(e). To the fullest extent permitted under applicable law, the invalidity, insufficiency, unenforceability or uncollectibility of any such right shall not in any respect diminish, affect or impair any such obligation or any other claim, interest, right or remedy at any time held by any Secured Party against any Loan Party or its property. The Secured Parties make no representations or warranties in respect of any such right and shall, to the fullest extent permitted under applicable law, have no duty to assure, protect, enforce or ensure any such right or otherwise relating to any such right.

(vii) Each Loan Party reserves any and all other rights of reimbursement, contribution or subrogation at any time available to it as against any other Loan Party, but (i) the exercise and enforcement of such rights shall be subject to this Section 4.18(e) and (ii) to the fullest extent permitted by applicable law, neither the Administrative Agent nor any other Secured Party shall ever have any duty or liability whatsoever in respect of any such right.

(f) Amendments, etc. with respect to the Obligations. To the fullest extent permitted by applicable law, 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 any Secured Party may be rescinded by such Secured Party 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 any Secured Party, and this Agreement and the other Loan Documents and any other documents executed and delivered in connection

herewith may be amended, modified, supplemented or terminated, in whole or in part, as the Administrative Agent (or the Requisite Lenders) may deem advisable from time to time, and any collateral security, guarantee or right of offset at any time held by any Secured Party for the payment of the Obligations may be sold, exchanged, waived, surrendered or released. No Secured Party 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 4.18 or any property subject thereto, except to the extent required by applicable law.

(g) Guarantee Absolute and Unconditional. To the fullest extent permitted by applicable law, 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 any Secured Party upon the guarantee contained in this Section 4.18 or acceptance of the guarantee contained in this Section 4.18. The Obligations, and each 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 4.18. All dealings between the Borrower and any of the Guarantors, on the one hand, and the Secured Parties, on the other hand, likewise shall be conclusively presumed to have been had or consummated in reliance upon the guarantee contained in this Section 4.18. To the fullest extent permitted by applicable law, 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 4.18 shall be construed, to the fullest extent permitted by applicable law, 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 any Secured Party, (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 any Secured Party, or (c) any other circumstance whatsoever (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 4.18, in bankruptcy or in any other instance. When making any demand hereunder or otherwise pursuing its rights and remedies hereunder against any Guarantor, any Secured Party 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 any Secured Party 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 any Secured Party against any Guarantor. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

(h) Reinstatement. The guarantee contained in this Section 4.18 shall be reinstated and shall remain in all respects enforceable to the extent that, at any time, any payment of any of the Obligations is set aside, avoided or rescinded or must otherwise be restored or returned by any Secured Party 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, in whole or in part, and such reinstatement and enforceability shall, to the fullest extent permitted by applicable law, be effective as fully as if such payment had not been made.

(i) Payments. Each Guarantor hereby agrees to pay all amounts payable by it under this Section 4.18 to the Administrative Agent without set-off or counterclaim in dollars in immediately available funds at the Funding Office.

SECTION 5. REPRESENTATIONS AND WARRANTIES

To induce the Agents and the Lenders to enter into this Agreement and to make the Loans and issue or participate in the Letters of Credit, Holdings and the Borrower hereby jointly and severally represent and warrant to each Agent and each Lender that:

5.1. Financial Condition. The audited consolidated balance sheets of the Borrower and its consolidated Subsidiaries as at the end of the fiscal years ending 2006, 2007 and 2008, and the related consolidated statements of income and cash flows for the fiscal year ended on such date, reported on by and accompanied by an unqualified report from the independent certified public accounting firm reporting thereon, present fairly the consolidated financial condition of each of the Borrower and its consolidated Subsidiaries as at such date, and the consolidated results of its operations and its consolidated cash flows for the fiscal year then ended. The unaudited interim consolidated balance sheet of the Borrower and its Subsidiaries as at March 27, 2009, June 26, 2009 and September 25, 2009 and the related unaudited consolidated statements of income and cash flows for each three-month period ended on such date, present fairly the consolidated financial condition of each of the Borrower and its Subsidiaries as at such date, and the consolidated results of its operations and its consolidated cash flows for each three-month period then ended (subject to normal year end audit adjustments and the absence of footnotes). All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with GAAP applied consistently throughout the periods involved (except as approved by the aforementioned firm of accountants and disclosed therein). No Group Member has any material Guarantee Obligations, contingent liabilities and liabilities for taxes, or any long term leases or unusual forward or long term commitments, including any interest rate or foreign currency swap or exchange transaction or other obligation in respect of derivatives, that are not reflected in the most recent financial statements referred to in this paragraph. During the period from December 31, 2008 to and including the date hereof there has been no Disposition by any Group Member of any material part of its business or property.

5.2. No Change. Since September 30, 2009, there has been no development or event that has had or would reasonably be expected to have a Material Adverse Effect.

5.3. Corporate Existence; Compliance with Law. Each Group Member (a) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (b) has the 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 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 where the failure to be so qualified would not reasonably be expected to have a Material Adverse Effect and (d) is in compliance with the terms of its Organizational Documents and all Requirements of Law except to the extent that the failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

5.4. Power; Authorization; Enforceable Obligations. Upon entry of the Final Order, each Loan Party has the 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 obtain extensions of credit hereunder. Each Loan Party has taken all necessary organizational action to authorize the execution, delivery and performance of the Loan Documents to which it is a party and, in the case of the Borrower, to authorize the extensions of credit on the terms and conditions of this Agreement. No consent or authorization of, filing with, notice to or other act by or in respect of, any Governmental Authority or any other Person is required in connection with the execution, delivery, performance, validity or enforceability of this Agreement or any of the Loan Documents, except (i) consents, authorizations, filings and notices described in Part A of Schedule 5.4, which consents, authorizations, filings and notices have been obtained or made and are in full force and effect and all applicable waiting periods have expired without any action being taken or threatened by any Governmental Authority which would restrain, prevent or otherwise impose adverse conditions on the transactions hereunder, (ii) consents, authorizations, filings and notices described in Part B of Schedule 5.4 which the failure to so receive, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect, (iii) the filings referred to in Section 5.19 and (iv) entry of the Final Order. Each Loan Document has been duly executed and delivered on behalf of each Loan Party party thereto. Upon entry of the Final Order, this Agreement constitutes, and each other Loan Document upon execution will constitute, a legal, valid and binding obligation of each Loan Party party thereto, enforceable against each such Loan Party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

5.5. No Legal Bar. The execution, delivery and performance of this Agreement and the other Loan Documents, the issuance of Letters of Credit, the borrowings hereunder and the use of the proceeds thereof will not violate its Organizational Document, any Requirement of Law or any Contractual Obligation of any Group Member and will not result in, or require, the creation or imposition of any Lien on any of their respective properties or revenues pursuant to its Organizational Documents, any Requirement of Law or any such Contractual Obligation (other than the Liens created by the Security Documents or permitted by Section 8.3 hereof).

5.6. Litigation. Except as set forth on Schedule 5.6, no litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of Holdings or the Borrower, threatened by or against any Group Member or against any of their respective properties or revenues (a) with respect to any of the Loan Documents or any of the transactions contemplated hereby or thereby, or (b) that would reasonably be expected to have a Material Adverse Effect.

5.7. No Default. No Group Member is in default under or with respect to any of its Contractual Obligations in any respect that would reasonably be expected to have a Material Adverse Effect. No Default or Event of Default has occurred and is continuing.

5.8. Ownership of Property; Liens. Each Group Member 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, and no such property is subject to any Lien except as permitted by Section 8.3. The assets of each Group Member are in good working condition, normal wear and tear excepted.

5.9. Intellectual Property. Except as set forth on Schedule 5.9, each Group Member owns, or is licensed to use, all Intellectual Property necessary for the conduct of its business as currently conducted; no material claim has been asserted and is pending by any Person challenging or questioning the use of any Intellectual Property or the validity or effectiveness of any Intellectual Property, nor does Holdings or the Borrower know of any valid basis for any such claim; and to the best of Holdings' and the Borrower's knowledge the use of Intellectual Property by each Group Member does not infringe on the rights of any Person in any material respect.

5.10. Taxes. Each Group Member has filed or caused to be filed all Federal, state and other material tax returns that are required to be filed and has paid all taxes shown to be due and payable on said returns or on any assessments made against it or any of its property and 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 reserves in conformity with GAAP have been provided on the books of the relevant Group Member); all tax returns filed by each Group Member are accurate in all material respects; no tax Lien has been filed, and, except as set forth on Schedule 5.10, to the knowledge of Holdings and the Borrower, no claim is being asserted, with respect to any such tax, fee or other charge.

5.11. 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. If requested by any Lender or the Administrative Agent, the Borrower will furnish to the Administrative Agent and each Lender a statement to the foregoing effect in conformity with the requirements of FR Form G-3 or FR Form U 1, as applicable, referred to in Regulation U.

5.12. Labor Matters. Except as, in the aggregate, would not reasonably be expected to have a Material Adverse Effect: (i) there are no strikes or other labor disputes against any Group Member pending or, to the knowledge of Holdings or the Borrower, threatened; (ii) hours worked by and payment made to employees of each Group Member have not been in violation of the Fair Labor Standards Act or any other applicable Requirement of Law dealing with such matters; and (iii) all payments due from any Group Member on account of employee health and welfare insurance have been paid or accrued as a liability on the books of the relevant Group Member.

5.13. ERISA. Neither a Reportable Event nor an "accumulated funding deficiency" (within the meaning of Section 412 of the Code or Section 302 of ERISA) has occurred during the five year period prior to the date on which this representation is made or deemed made with respect to any Plan, and, except as set forth on Schedule 5.13, each Plan has complied in all material respects with the applicable provisions of ERISA and the Code. No termination of a Single Employer Plan has occurred, and no Lien in favor of the PBGC or a Plan has arisen, during such five-year period. Except as set forth on Schedule 5.13, 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 by a material amount. Neither the Borrower nor any Commonly Controlled Entity has had a complete or partial withdrawal from any Multiemployer Plan that has resulted or would reasonably be expected to result in a material liability under ERISA, and neither the Borrower nor any Commonly Controlled Entity would become subject to any material liability under ERISA if the Borrower or any such Commonly Controlled Entity were to withdraw completely from all Multiemployer Plans as of the valuation date most closely preceding the date on which this representation is made or deemed made. No such Multiemployer Plan is in Reorganization or Insolvent.

5.14. Investment Company Act; Other Regulations. No Loan Party is an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended. No Loan Party is subject to regulation under any Requirement of Law (other than Regulation X of the Board) that limits its ability to incur Indebtedness.

5.15. Subsidiaries. Except as disclosed to the Administrative Agent by the Borrower in writing from time to time after the Closing Date, (a) Schedule 5.15 sets forth the name and jurisdiction of incorporation of each Subsidiary and, as to each such Subsidiary, the percentage of each class of Capital Stock owned by any Loan Party and (b) there are no outstanding subscriptions, options, warrants, calls, rights or other agreements or commitments (other than stock options granted to employees or directors and directors' qualifying shares) of any nature relating to any Capital Stock of the Borrower or any Subsidiary, except as set forth on Schedule 5.15 or as created by the Loan Documents. All of the Capital Stock of Holdings was owned, as of the Closing Date, by the Persons and in the amounts set forth on Schedule 5.15.

5.16. Use of Proceeds. The proceeds of the Revolving Loans, the Swingline Loans, and the Letters of Credit, shall be used (x) to repay the Prepetition Revolving Facility in full on the Closing Date, (y) to make Prepetition Payments to the extent expressly permitted

hereunder and (z) for working capital and other general corporate purposes of the Borrower and its Subsidiaries in the ordinary course of business.

5.17. Environmental Matters. Except as set forth on Schedule 5.17 and except as, in the aggregate, would not reasonably be expected to have a Material Adverse Effect:

(a) the facilities and properties owned, leased or operated by any Group Member (the "Properties") do not contain, and have not previously contained, any Materials of Environmental Concern related to the operation of any Group Member, and to the best knowledge of Holdings and the Borrower, the Properties do not contain and have not contained any Materials of Environmental Concern related to the operations of former owners or tenants, in amounts or concentrations or under circumstances that constitute or constituted a violation of, or could give rise to liability under, any Environmental Law;

(b) no Group Member has received any notice of violation, alleged violation, non-compliance, liability or potential liability regarding environmental matters or compliance with Environmental Laws with regard to any of the Properties or the business operated by any Group Member (the "Business"), nor does Holdings or the Borrower have knowledge or reason to believe that any such notice will be received or is being threatened;

(c) Materials of Environmental Concern have not been transported or disposed of from the Properties in violation of, or in a manner or to a location in each case by or on behalf of any Group Member that has given, or, to Holdings' or the Borrower's best knowledge, could give, rise to liability under, any Environmental Law, nor have any Materials of Environmental Concern been generated, treated, stored or disposed of at, on or under any of the Properties in violation of, or in a manner that has given, or, to Holdings' or the Borrower's best knowledge, could give rise, to liability to them under, any applicable Environmental Law;

(d) no judicial proceeding or governmental or administrative action is pending or, to the knowledge of Holdings or the Borrower, threatened, under any Environmental Law to which any Group Member is or will be named as a party with respect to the Properties or the Business, nor are there any consent decrees or other decrees, consent orders, administrative orders or other orders, or other administrative or judicial requirements outstanding under any Environmental Law with respect to the Properties or the Business;

(e) there has been no release or threat of release of Materials of Environmental Concern at or from the Properties, or arising from or related to the operations of any Group Member in connection with the Properties or otherwise in connection with the Business, in violation of or in amounts or in a manner that has given, or, to Holdings' or the Borrower's best knowledge, could give rise, to liability under Environmental Laws;

(f) the Properties and all operations at the Properties are in material compliance, and have in the last five years been in material compliance, with all applicable Environmental Laws; and

(g) no Group Member has assumed any liability of any other Person under Environmental Laws.

5.18. Accuracy of Information, etc. No statement or information contained in this Agreement, any other Loan Document or any other document, certificate or statement furnished by or on behalf of any Loan Party to the Administrative Agent or the Lenders, or any of them, for use in connection with the transactions contemplated by this Agreement or the other Loan Documents, contained as of the date such statement, information, document or certificate was so furnished, any untrue statement of a material fact or omitted to state a material fact necessary to make the statements contained herein or therein not misleading. The projections and pro forma financial information 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 financial information as it relates to future events is not to be viewed as fact and that actual results during the period or periods covered by such financial information may differ from the projected results set forth therein by a material amount. There is no fact known to any Loan Party that could reasonably be expected to have a Material Adverse Effect that has not been expressly disclosed herein, in the other Loan Documents or in any other documents, certificates and statements furnished to the Administrative Agent and the Lenders for use in connection with the transactions contemplated hereby and by the other Loan Documents.

5.19. Perfection of Security Interest. (a) Upon entry of the Final Order, such Order is effective to create in favor of the Collateral Agent, for the benefit of the Secured Parties, a legal, valid and enforceable security interest in the Collateral and proceeds thereof.

5.20. Intentionally Omitted.

5.21. Secured Superpriority Claims. On and after the Closing Date and the entry of the Final Order, such Order and the Loan Documents are sufficient to provide the Superpriority Claims and Liens described in, and with the priority provided in, Section 4.17 of this Agreement. The Order is in full force and effect and has not been vacated, reversed, modified, amended, rescinded or stayed without the prior written consent of Administrative Agent and the Required Lenders.

5.22. Anti-Terrorism Laws. (a) No Loan Party or, to the knowledge of any Loan Party, any of its Affiliates is in violation of any Anti-Terrorism Law or engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

(b) None of the Loan Parties, nor, to the knowledge of the Loan Parties, any Affiliate of any Loan Party or their respective agents acting or benefiting in any capacity in connection with the Loans, Letters of Credit or other transactions hereunder, is any of the following (each a "Blocked Person"):

(i) a person that is listed in the annex to, or is otherwise subject to the provisions of, Executive Order No. 13224;

(ii) a person owned or controlled by, or acting for or on behalf of, any person that is listed in the annex to, or is otherwise subject to the provisions of, Executive Order No. 13224;

(iii) a person with which any Lender is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;

(iv) a person that commits, threatens or conspires to commit or supports "terrorism" as defined in Executive Order No. 13224;

(v) a person that is named as a "specially designated national" on the most current list published by the United States Treasury Department's Office of Foreign Asset Control at its official website or any replacement website or other replacement official publication of such list; or

(vi) a person who is affiliated or associated with a person listed above.

(c) No Loan Party, or to the knowledge of any Loan Party, any of its agents acting in any capacity in connection with the Loans, Letters of Credit or other transactions hereunder (i) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Blocked Person or (ii) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to Executive Order No. 13224.

SECTION 6. CONDITIONS PRECEDENT

6.1. 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, prior to or concurrently with the making of such extension of credit on the Closing Date, of the following conditions precedent:

(a) Loan Documents. The Administrative Agent shall have received (i) this Agreement, or, in the case of the Lenders, an Addendum, executed and delivered by each Agent, Holdings, the Borrower and each Person that is a Lender as of the Closing Date, (ii) the Collateral Agreement, executed and delivered by each of Holdings' Subsidiaries which are not party hereto, in form and substance reasonably satisfactory to the Administrative Agent, (iii) a Borrowing Base Certificate dated as of no earlier than the 25 days immediately preceding the Closing Date, and (iv) any Notes requested by Lenders.

(b) Validity of Liens. The Security Documents shall, upon entry of the Final Order, be effective to create in favor of the Collateral Agent, for the benefit of the Secured Parties, a legal, valid and enforceable first priority (except for Existing Liens entitled to priority under applicable laws) perfected security interest in and lien on the Collateral, subject to the Carve-Out. All filings, recordings, deliveries of instruments and other actions necessary or desirable in the opinion of the Collateral Agent to protect and preserve such security interests shall have been duly effected. The Collateral Agent shall have received evidence thereof in form and substance satisfactory to the Collateral Agent.

(c) Financial Statements. The Lenders shall have received the Financial Statements and other financial statements described in Section 5.1 reasonably satisfactory in form to the Lenders.

(d) Approvals. All governmental and third party approvals necessary or, in the reasonable discretion of the Administrative Agent, advisable, in connection with the Transactions and the continuing operations of the Group Members shall have been obtained and 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 Transaction.

(e) Fees. The Lenders and the Agents shall have received all fees required to be paid, and all reasonable expenses for which invoices have been presented (including the reasonable fees and expenses of legal counsel), on or before the Closing Date.

(f) 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 I, with appropriate insertions and attachments including the certificate of incorporation (or similar document) of each Loan Party certified by the relevant authority of the jurisdiction of organization of such Loan Party, and (ii) a long form good standing certificate for each Loan Party from its jurisdiction of organization as of a recent date.

(g) Legal Opinion. The Administrative Agent shall have received a legal opinion of White & Case LLP, counsel to Holdings, the Borrower and its Subsidiaries, in form and substance reasonably satisfactory to Administrative Agent.

(h) Patriot Act, etc. The Administrative Agent shall have received all documentation and other information required by bank regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act, as reasonably requested by the Administrative Agent.

(i) Appraisal. The Administrative Agent shall have received, at the Borrower's expense, appraisals in form and substance and from appraisers satisfactory to Administrative Agent of all of the Inventory of the Loan Parties and their Subsidiaries.

(j) Final Order. The Bankruptcy Court shall have entered the Final Order and such Order shall be in full force and effect and shall not have been amended, modified, stayed or reversed. If such Order is the subject of a pending appeal in any respect, none of such order, the initial extensions of credit, or the performance by any of the Loan Parties of any of the Obligations shall be the subject of a presently effective stay pending appeal. The Loan Parties, the Agents and the Lenders shall be entitled to rely in good faith upon such Order, notwithstanding objection thereto or appeal therefrom by any interested party. The Loan Parties, the Agents and the Lenders shall be permitted and required to perform their respective obligations in compliance with this Agreement notwithstanding any such objection or appeal unless the relevant order has been stayed by a court of competent jurisdiction.

(k) First Day Orders. The Bankruptcy Court shall have entered a first day order providing for the continuation of the Borrower's prepetition cash management system and deposit and disbursement accounts, including lockbox accounts and deposit and disbursement accounts. All of the "first day orders" entered by the Bankruptcy Court

in the Cases shall be reasonably satisfactory in form and substance to the Administrative Agent.

(l) Other Orders. All orders (if any) providing for payment of prepetition indebtedness of the Loan Parties or affecting in any way the Obligations or the Collateral submitted for entry in the Cases shall be in form and substance satisfactory to the Administrative Agent and, as entered, shall not deviate from the form thereof approved by the Administrative Agent in any material respect which is adverse to the interests of the Lenders.

(m) Plan of Reorganization. The Borrower and the Guarantors shall have filed with the Bankruptcy Court the Plan of Reorganization and related disclosure statement reasonably satisfactory to the Administrative Agent and the Plan of Reorganization shall have been accepted by all impaired classes of creditors entitled to vote on the Plan of Reorganization under the Bankruptcy Code.

(n) Closing Date. The Closing Date shall occur no later than 30 days after the Filing Date.

6.2. Conditions to Each Extension of Credit. The agreement of each Lender to make any extension of credit requested to be made by it on any date (including its initial extension of credit) 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 or pursuant to the Loan Documents shall be true and correct in all material respects on and as of such date as if made on and as of such date except to the extent that such representations and warranties to an earlier date, in which case they shall be true and correct 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 requested to be made on such date.

(c) Cash Balance. The aggregate balance of cash and Cash Equivalents held by the Loan Parties (calculated based on bank balances, without deduction of any outstanding drafts or other outstanding items) shall be no greater than $5,000,000 on such date and after giving effect to the extensions of credit (other than any Letter of Credit requested on such date in accordance with Section 3.8) requested to be made on such date.

(d) Borrowing Base Certificate. Administrative Agent shall have received before such date, the timely delivery of the most recent Borrowing Base Certificate (dated as contemplated in Section 7.2(f)) required to be delivered hereunder.

(e) Orders. If an extension of credit is requested after the Final Order has been entered by the Bankruptcy Court, the Administrative Agent and the Lenders shall have received a certified copy of the Final Order and the Final Order shall be in full force and effect and shall not have been reversed, modified or amended in an respect. If the

Final Order is the subject of a pending appeal in any respect, none of such Order, the making of the Loans, the issuance of any Letter of Credit or the performance by the Borrower or any Guarantor of any of its obligations under any of the Loan Documents shall be the subject of a presently effective stay pending appeal. The Loan Parties, the Agents and the Lenders shall be entitled to rely in good faith upon the Final Order, notwithstanding objection thereto or appeal therefrom by any interested party. The Loan Parties, the Agents and the Lenders shall be permitted and required to perform their respective obligations in compliance with this Agreement notwithstanding any such objection or appeal unless the Final Order has been stayed by a court of competent jurisdiction.

Each borrowing by and issuance of a Letter of Credit on behalf of the Borrower 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 6.2 have been satisfied.

SECTION 7. AFFIRMATIVE COVENANTS

Holdings and the Borrower hereby jointly and severally agree 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 Agent hereunder, each of Holdings and the Borrower shall and shall cause each of its Subsidiaries to:

7.1. Financial Statements. Furnish to the Administrative Agent and each Lender:

(a) as soon as available, but in any event within 90 days after the end of each fiscal year of the Borrower, a copy of the audited consolidated balance sheet of the Borrower 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 for the previous year, reported on without a "going concern" or like qualification or exception, or qualification arising out of the scope of the audit, by PriceWaterhouseCoopers 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 fiscal quarter of the Borrower, the unaudited consolidated balance sheet of the Borrower 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 for the previous year, certified by a Responsible Officer as being fairly stated in all material respects (subject to normal year end audit adjustments); and

(c) as soon as available, but in any event not later than 30 days after the end of each month occurring during each fiscal year of the Borrower (other than the third, sixth, ninth and twelfth such month), the unaudited consolidated balance sheets of the Borrower and its Subsidiaries as at the end of such month and the related unaudited

consolidated statements of income and of 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 for the previous year, certified by a Responsible Officer as being fairly stated in all material respects (subject to normal year-end audit adjustments).

All such financial statements shall be complete and correct in all material respects and shall 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).

7.2. Certificates; Other Information. Furnish to the Administrative Agent and each Lender (or, in the case of clause (i), to the relevant Lender):

(a) concurrently with the delivery of the financial statements referred to in Section 7.1(a), a certificate of the independent certified public accountants reporting on such financial statements stating that in making the examination necessary therefor no knowledge was obtained of any Default or Event of Default, except as specified in such certificate, it being understood that such certificate shall be limited to the items that independent certified accountants are permitted to cover in such certificates pursuant to their professional standards and customs of the profession;

(b) concurrently with the delivery of any financial statements pursuant to Section 7.1, (i) a certificate of a Responsible Officer stating that, to the best of such Responsible Officer's knowledge, each Loan Party during such period has observed or performed all of its covenants and other agreements, and satisfied every condition, contained in this Agreement and the other Loan Documents to which it is a party to be observed, performed or satisfied by it, and that such Responsible Officer has obtained no knowledge of any Default or Event of Default except as specified in such certificate and (ii) in the case of quarterly or annual financial statements, (x) a Compliance Certificate containing all information and calculations necessary for determining compliance with the provisions of this Agreement referred to therein as of the last day of the fiscal quarter or fiscal year of the Borrower, as the case may be, and, if applicable, for determining the Applicable Margins, and (y) to the extent not previously disclosed to the Administrative Agent, a listing of any Intellectual Property acquired by any Loan Party since the date of the most recent list delivered pursuant to this clause (y) (or, in the case of the first such list so delivered, since the Closing Date);

(c) as soon as available, and in any event no later than 45 days after the beginning of each fiscal year of the Borrower, a detailed consolidated budget for such fiscal year shown on a month-by-month basis (including a projected consolidated balance sheet of the Borrower and its Subsidiaries as of the end of the following fiscal year, the related consolidated statements of projected cash flow, projected changes in financial position and projected income and a description of the underlying assumptions applicable thereto), and, as soon as available, significant revisions, if any, of such budget and projections with respect to such fiscal year (collectively, the "Projections"), which Projections shall in each case be accompanied by a certificate of a Responsible Officer stating that such Projections are based on reasonable estimates, information and

assumptions and that such Responsible Officer has no reason to believe that such Projections are incorrect or misleading in any material respect;

(d) concurrently with the delivery of any financial statements pursuant to Section 7.1(a) or (b), a narrative discussion and analysis of the financial condition and results of operations of the Borrower and its Subsidiaries for the fiscal period covered by such financial statements and, in the case of financial statements pursuant to Section 7.1(b), for the period from the beginning of the fiscal year in which such fiscal period occurs to the end of such fiscal period, in each case as compared to the portion of the Projections covering such periods and to the comparable periods of the previous year;

(e) within five days after the same are sent, copies of all financial statements and reports that Holdings or the Borrower sends to the holders of any class of its debt securities or public equity securities and, within five days after the same are filed, copies of all financial statements and reports that Holdings or the Borrower may make to, or file with, the SEC;

(f) within 20 days after the end of each month, a Borrowing Base Certificate dated as of the last Business Day of the such month and any supporting documentation reasonably requested by the Administrative Agent; and in addition to such monthly Borrowing Base Certificates, the Borrower may from time to time deliver to Administrative Agent and Lenders on any Business Day a Borrowing Base Certificate dated as of a date no earlier than the 25th Business Day immediately preceding the date of delivery thereof and the most recent Borrowing Base Certificate described in this clause (i) that is delivered to Administrative Agent shall be used in calculating the Borrowing Base as of any date of determination;

(g) no more than once in every twelve (12) month period (or as frequently as Administrative Agent may request while a Default or an Event of Default shall have occurred and be continuing) Administrative Agent may, or may require the Borrower to, in either case at the Borrower's expense, obtain appraisals in form and substance reasonably satisfactory to the Administrative Agent and from appraisers and/or field auditors specified by the Administrative Agent and reasonably acceptable to the Borrower of all or any portion of the Inventory of any Loan Party or any Subsidiary of any Loan Party;

(h) so long as any Revolving Loans are then outstanding, on the first Business Day of each week, a Liquidity report in the form attached hereto as Exhibit J (a "Liquidity Certificate");

(i) on the first Business Day after each Cash Measurement Date, a Bi-Weekly Cash Report;

(j) on the fourth Business Day of each calendar week, a detailed line-item report of operating cash receipts, operating disbursements, non-operating disbursements and professional fees for the preceding calendar week together with a line-item

comparison of such items against the Approved Budget and an explanation of any material variances.

(k) on the fourth Business Day of each calendar week, a 13-week rolling cash flow projection in substantially the same form as the Approved Budget, together with a comparison of such cash flow projections to the Approved Budget and an explanation of any material variances;

(l) no later than 25 days after each month, a monthly report detailing (i) professional fees and expenses that have been billed but unpaid to date in the Cases, (ii) the accumulated "hold-back" of professional fees and expenses to date, and (iii) the total professional fees paid in the Cases during such month and to date;

(m) promptly after the same is available, copies of all pleadings, motions, applications, judicial information, financial information and other documents filed by or on behalf of any Loan Party with the Bankruptcy Court in the Cases, or distributed by or on behalf of the any Loan Party to any official committee appointed in the Cases; and

(n) promptly, such additional financial and other information as any Lender may from time to time reasonably request, including, without limitation, information with respect to the Patriot Act.

7.3. Payment of Post Petition Obligations. Pay, discharge or otherwise satisfy as the same become due or before they become delinquent, as the case may be, all its material post-petition obligations of whatever nature, except where the amount or validity thereof is currently being contested in good faith by appropriate proceedings and reserves in conformity with GAAP with respect thereto have been provided on the books of the relevant Group Member.

7.4. Maintenance of Existence; Compliance. (a) (i) Preserve, renew and keep in full force and effect its organizational existence and (ii) 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 8.4 and except, in the case of clause (ii) above, to the extent that failure to do so would not reasonably be expected to have a Material Adverse Effect.

(b) Comply with all post-petition Contractual Obligations, its Organizational Documents and 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.

7.5. Maintenance of Property; Insurance. (a) Keep all property useful and necessary in its business in good working order and condition, ordinary wear and tear, condemnation and casualty excepted and (b) maintain with financially sound and reputable insurance companies insurance on all its 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.

7.6. 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 financial transactions and matters involving the assets and business of the Group Members and (b) permit representatives of the Administrative Agent or any Lender to visit and inspect any of its properties and examine and make abstracts from any of its books and records at any reasonable time and as often as may reasonably be desired and to discuss the business, operations, properties and financial and other condition of the Group Members with officers and employees of the Group Members and with their independent certified public accountants; provided that, so long as no Event of Default has occurred and is continuing, (i) the rights of the Lenders (but not the Administrative Agent) under this clause (b) shall be limited to once a year in the aggregate and (ii) the rights of the Administrative Agent under this clause (b) shall be limited to three times a year.

7.7. Notices. Promptly give notice to the Administrative Agent and each Lender of:

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

(b) any (i) default or event of default under any Contractual Obligation of any Group Member or (ii) litigation, investigation or proceeding that may exist at any time between any Group Member and any Governmental Authority, that in the case of clause (i) or clause (ii), if not cured or if adversely determined, as the case may be, would reasonably be expected to have a Material Adverse Effect;

(c) any litigation or proceeding affecting any Group Member (i) in which the amount involved is $1,000,000 or more, (ii) in which injunctive or similar relief is sought or (iii) which relates to any Loan Document;

(d) the following events, as soon as possible and in any event within 30 days after the Borrower knows or has reason to know thereof: (i) the occurrence of any Reportable Event with respect to any Plan, a failure to make any required contribution to a Plan, 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 (ii) the institution of proceedings or the taking of any other action by the PBGC or the Borrower or any Commonly Controlled Entity or any Multiemployer Plan with respect to the withdrawal from, or the termination, Reorganization or Insolvency of, any Plan; and

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

Each notice pursuant to this Section 7.7 shall be accompanied by a statement of a Responsible Officer of the Borrower setting forth details of the occurrence referred to therein and stating what action Holdings, the Borrower or the relevant Subsidiary proposes to take with respect thereto.

7.8. Environmental Laws. (a) Comply in all material respects with, and ensure compliance in all material respects by all tenants and subtenants, if any, with, all applicable Environmental Laws, and obtain and comply in all material respects with and maintain, and ensure that all tenants and subtenants obtain and comply in all material respects

with and maintain, any and all licenses, approvals, notifications, registrations or permits required by applicable Environmental Laws.

(b) Conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other actions required under Environmental Laws and promptly comply in all material respects with all lawful orders and directives of all Governmental Authorities regarding Environmental Laws.

7.9. Agreement to Deliver Security Documents. Each Loan Party agrees to agrees to deliver and to cause each other Loan Party to deliver, to further secure the Obligations whenever requested by the Collateral Agent in its sole and absolute discretion, deeds of trust, mortgages, chattel mortgages, security agreements, financing statements and other Security Documents in form and substance satisfactory to the Collateral Agent for the purpose of granting, confirming, and perfecting first priority liens or security interests in any real or personal property now owned or hereafter acquired by any Loan Party. Furthermore, the Borrower agrees to deliver and to cause each other Loan Party to deliver whenever requested by the Collateral Agent in its sole and absolute discretion, an intercompany subordination agreement in form and substance satisfactory to the Collateral Agent and the Required Lenders.

7.10. Additional Collateral, etc. (a) With respect to any property acquired after the Closing Date by any Group Member (other than (x) any property described in paragraph (b), (c) or (d) below, (y) any property subject to a Lien expressly permitted by Section 8.3(g) and (z) property acquired by any Excluded Foreign Subsidiary) as to which the Collateral Agent, for the benefit of the Secured Parties, does not have a perfected Lien, promptly (i) execute and deliver to the Collateral Agent such amendments to the Security Documents or such other documents as the Collateral Agent deems necessary or advisable to grant to the Collateral Agent, for the benefit of the Secured Parties, a security interest in such property and (ii) take all actions necessary or advisable to grant to the Collateral Agent, for the benefit of the Secured Parties, a perfected first priority security interest in such property, including the filing of Uniform Commercial Code financing statements in such jurisdictions as may be required by the Security Documents or by law or as may be requested by the Collateral Agent.

(b) [Reserved]

(c) With respect to any new Subsidiary (other than an Excluded Foreign Subsidiary) created or acquired after the Closing Date by any Group Member (which, for the purposes of this paragraph (c), shall include any existing Subsidiary that ceases to be an Excluded Foreign Subsidiary), promptly (i) execute and deliver to the Collateral Agent such amendments to the Security Documents as the Collateral Agent deems necessary or advisable to grant to the Collateral Agent, for the benefit of the Secured Parties, a perfected first priority security interest in the Capital Stock of such new Subsidiary that is owned by any Group Member, (ii) deliver to the Collateral Agent the certificates representing such Capital Stock, together with undated stock powers, in blank, executed and delivered by a duly authorized officer of the relevant Group Member, (iii) cause such new Subsidiary (A) to become a party to the applicable Security Documents, including without limitation a Guarantee and Collateral Agreement, (B) to take such actions necessary or advisable to grant to the Collateral Agent for the benefit of the Secured Parties a perfected first priority security interest in the Collateral

with respect to such new Subsidiary, including the filing of Uniform Commercial Code financing statements in such jurisdictions as may be required by the Security Documents or by law or as may be requested by the Collateral Agent and (C) to deliver to the Collateral Agent a certificate of such Subsidiary, substantially in the form of Exhibit C, with appropriate insertions and attachments, and (iv) if requested by the Collateral Agent, deliver to the Collateral Agent legal opinions relating to the matters described above, which opinions shall be in form and substance, and from counsel, reasonably satisfactory to the Collateral Agent.

(d) With respect to any new Excluded Foreign Subsidiary created or acquired after the Closing Date by any Group Member (other than by any Group Member that is an Excluded Foreign Subsidiary), promptly (i) execute and deliver to the Collateral Agent such amendments to the Security Documents as the Collateral Agent deems necessary or advisable to grant to the Collateral Agent, for the benefit of the Secured Parties, a perfected first priority security interest in the Capital Stock of such new Subsidiary that is owned by any such Group Member (provided that in no event shall more than 65% of the total outstanding Capital Stock of any such new Subsidiary be required to be so pledged), (ii) deliver to the Collateral Agent the certificates representing such Capital Stock, together with undated stock powers, in blank, executed and delivered by a duly authorized officer of the relevant Group Member, as the case may be, and take such other action as may be necessary or, in the opinion of the Collateral Agent, desirable to perfect the Collateral Agent's security interest therein, and (iii) if requested by the Collateral Agent, deliver to the Collateral Agent legal opinions relating to the matters described above, which opinions shall be in form and substance, and from counsel, reasonably satisfactory to the Collateral Agent.

7.11. Further Assurances. From time to time execute and deliver, or cause to be executed and delivered, such additional instruments, certificates or documents, and take all such actions, as the Administrative Agent or the Collateral Agent may reasonably request for the purposes of implementing or effectuating the provisions of this Agreement and the other Loan Documents, or of more fully perfecting or renewing the rights of the Administrative Agent, the Collateral Agent and the Lenders with respect to the Collateral (or with respect to any additions thereto or replacements or proceeds thereof or with respect to any other property or assets hereafter acquired by the borrower or any Subsidiary which may be deemed to be part of the Collateral) pursuant hereto or thereto. Upon the exercise by the Administrative Agent, the Collateral Agent or any Lender of any power, right, privilege or remedy pursuant to this Agreement or the other Loan Documents which requires any consent, approval, recording qualification or authorization of any Governmental Authority, the Borrower will execute and deliver, or will cause the execution and delivery of, all applications, certifications, instruments and other documents and papers that the Administrative Agent, the Collateral Agent or such Lenders may be required to obtain from the Borrower or any of its Subsidiaries for such governmental consent, approval, recording, qualification or authorization.

7.12. Financial Advisor. The Borrower shall continue to cooperate with the financial advisor engaged by counsel to the Administrative Agent and continue to reimburse fees and expenses of such financial advisor in accordance with the terms of its engagement.

SECTION 8. NEGATIVE COVENANTS

Holdings and the Borrower hereby jointly and severally agree 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 Agent hereunder, each of Holdings and the Borrower shall not, and shall not permit any of its Subsidiaries to, directly or indirectly:

8.1. Financial Covenants. (a) As of the last Business Day of any calendar week during which Total Liquidity is equal to or less than $12,500,000, suffer or permit:

(i) cumulative Operating Cash Receipts (as defined in the Approved Budget) of the Borrower and its Subsidiaries, measured from the Closing Date to such date, to be less than 80% of the minimum cumulative Operating Cash Receipts budgeted for such period as set forth in the Approved Budget;

(ii) cumulative Operating Disbursements (as defined in the Approved Budget) of the Borrower and its Subsidiaries, measured from the Closing Date to such date, to exceed 115% of the maximum cumulative Operating Disbursements budgeted for such period as set forth in the Approved Budget;

(iii) cumulative Financial Disbursements (as defined in the Approved Budget) (other than interest, fees, or other amounts paid pursuant to this Agreement) of the Borrower and its Subsidiaries, measured from the Closing Date to such date, to exceed the maximum cumulative Financial Disbursements budgeted for such period as set forth in the Approved Budget.

(b) Suffer or permit the maximum cumulative Professional Fee Disbursements (as defined in the Approved Budget) of the Borrower and its Subsidiaries to exceed $6,000,000.

(c) At any time, suffer or permit Total Liquidity to be less than $8,000,000.

For the avoidance of doubt: “disbursements” shall include all uses of cash of any kind, including, without limitation, investments, capital expenditures and repayments of Indebtedness (other than repayments of debt under this Agreement); and “receipts” shall not include borrowings, tax refunds or other extraordinary receipts.

8.2. Indebtedness. Create, issue, incur, assume, become liable in respect of 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 Subsidiary, (ii) of any Wholly Owned Subsidiary Guarantor to the Borrower or any other Subsidiary and (iii) of any Subsidiary of the Borrower that is not a Subsidiary Guarantor to any other Subsidiary of the Borrower that is not a Subsidiary Guarantor; provided that any such Indebtedness is

evidenced by, and subject to the provisions (including the subordination provisions) of the Intercompany Note;

(c) Guarantee Obligations incurred in the ordinary course of business by the Borrower or any of its Subsidiaries of obligations of the Borrower and any Wholly Owned Subsidiary Guarantor;

(d) Indebtedness outstanding on the Closing Date and listed on Schedule 8.2(d) and any Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge such Indebtedness; and

(e) Capital Lease Obligations (other than Capital Lease Obligations under the 130 Capital Lease) and Indebtedness constituting the deferred purchase price of property or services in an aggregate principal amount not to exceed $1,000,000 at any one time outstanding.

8.3. 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 prepetition taxes, assessments, and governmental charges (provided that the enforcement and collection of the same are subject to the automatic stay in the Cases) and Liens for taxes, fees, assessments and governmental charges not yet due or delinquent or that remain payable without penalty yet due or that 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, in conformity with GAAP;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business in respect of prepetition obligations (provided that the enforcement and collection of the same are subject to the automatic stay in the Cases or in respect of post-petition obligations that are not overdue for a period of more than 30 days or that are being contested in good faith by appropriate proceedings;

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

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

(e) easements, rights-of-way, restrictions and other similar encumbrances incurred in the ordinary course of business that, in the aggregate, are not substantial in amount and that do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of the Borrower or any of its Subsidiaries;

(f) Liens in existence on the Closing Date listed on Schedule 8.3(f), securing Indebtedness permitted by Section 8.2(d), provided that no such Lien is spread to cover any additional property after the Closing Date and that the amount of Indebtedness secured thereby is not increased;

(g) Liens created pursuant to the Loan Documents, the JPMorgan Loan Documents or the 130 Capital Lease;

(h) any interest or title of a lessor under any lease entered into by the Borrower or any other Subsidiary in the ordinary course of its business and covering only the assets so leased; and

(i) Liens securing Indebtedness of the Borrower or any Subsidiary incurred pursuant to Section 8.2(e) to finance the acquisition of fixed or capital assets; provided that (i) such Liens shall be created substantially simultaneously with the acquisition of such fixed or capital assets, (ii) such Liens do not at any time encumber any property other than the property financed by such Indebtedness and (iii) the amount of Indebtedness secured thereby is not increased.

8.4. 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.

8.5. Disposition of Property. Dispose of any of its property, whether now owned or hereafter acquired, or, in the case of any Subsidiary, issue or sell any shares of such Subsidiary's Capital Stock to any Person, except:

(a) the Disposition of obsolete or worn out property in the ordinary course of business;

(b) the sale of inventory in the ordinary course of business; and

(c) Dispositions of cash or Cash Equivalents in the ordinary course of business in transactions not otherwise prohibited by this Agreement;

provided, however, for avoidance of doubt, in no event shall the Borrower or any of its Subsidiaries dispose of any Accounts or dispose of any Inventory other than in the ordinary course or business or pursuant to subparagraph (a), above.

8.6. Restricted Payments. Declare or pay any dividend (other than dividends payable solely in common stock of the Person making such 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 Group Member, 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 Holdings, the Borrower or any Subsidiary (collectively, "Restricted Payments"), except that:

(a) any Subsidiary may make Restricted Payments to the Borrower or any Wholly Owned Subsidiary Guarantor; and

(b) the Borrower may pay dividends to Holdings to permit Holdings to pay (i) corporate overhead expenses and non-income taxes incurred or payable in the ordinary course of business not to exceed $50,000 in any fiscal year and (ii) any taxes that are due and payable by Holdings as the parent of the Borrower to the extent such taxes are attributed solely to the net taxable income of the Borrower allocated to Holdings.

8.7. Intentionally Omitted.

8.8. 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 any assets constituting a business unit of, or make any other investment in, any Person (all of the foregoing, "Investments"), except:

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

(b) Investments in Cash Equivalents;

(c) Guarantee Obligations permitted by Section 8.2;

(d) intercompany Investments by any Group Member in the Borrower or any Person that, prior to such Investment, is a Wholly Owned Subsidiary Guarantor; and

(e) in addition to Investments otherwise expressly permitted by this Section, Investments by the Borrower or any of its Subsidiaries in an aggregate amount (valued at cost) not to exceed $1,000,000 outstanding at any time.

8.9. Prepetition Payments and Amendments of Prepetition Facilities. (a) Make any Prepetition Payment other than (i) as permitted under the Final Order, (ii) as permitted under any "first day order" or (iii) any Prepetition Payment otherwise consented to by the Administrative Agent and permitted by order of the Bankruptcy Court, or (b) waive, amend, supplement, modify, terminate or release the provisions of (i) any prepetition Indebtedness or (ii) any document, agreement or instrument evidencing, creating or governing any post-petition Indebtedness or any other material prepetition or post-petition agreement if, in the case of clause (i) and (ii), the same could reasonably be expected to adversely affect the Agents or the Lenders.

8.10. Transactions with Affiliates. Enter into any transaction, including 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 Holdings, the Borrower or any Wholly Owned Subsidiary Guarantor) unless such transaction is (a) otherwise permitted under this Agreement, (b) in the ordinary course of business of the relevant Group Member, and (c) upon fair and reasonable terms no less favorable to the relevant Group Member, than it would obtain in a comparable arm's length transaction with a Person that is not an Affiliate. No management fees shall be paid to the Sponsor or any Person (or any advisor of any Person) holding an equity interest in Holdings, except that, notwithstanding the foregoing, (x) the Sponsor and its Control Investment Affiliates shall be permitted to earn fees in an amount not to

exceed $300,000 per year and to be reimbursed for out-of-pocket expenses incurred in conjunction with the confirmation of the Plan of Reorganization pursuant to the management agreement between the Sponsor and Borrower as in effect on the Closing Date, provided that (i) such fee shall not be paid in cash during the term of this Agreement or upon confirmation of the Plan of Reorganization (it being agreed such fee may be paid only after the payment and performance in full of the Exit Credit Facility) and (ii) such management agreement shall have been fully subordinated to the Obligations on terms satisfactory to the Administrative Agent.

8.11. Sales and Leasebacks. Enter into any arrangement with any Person providing for the leasing by any Group Member of real or personal property that has been or is to be sold or transferred by such Group Member to such Person or 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 such Group Member.

8.12. Hedge Agreements. Enter into any Hedge Agreement.

8.13. Changes in Fiscal Periods. Permit the fiscal year of the Borrower to end on a day other than on the last Friday in December of each year or change the Borrower's method of determining fiscal quarters.

8.14. Negative Pledge Clauses. Enter into or suffer to exist or become effective any agreement that prohibits, limits or imposes any condition upon the ability of any Group Member to create, incur, assume or suffer to exist any Lien upon any of its property or revenues, whether now owned or hereafter acquired, other than (a) this Agreement and the other Loan Documents and (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).

8.15. Clauses Restricting Subsidiary Distributions. Enter into or suffer to exist or become effective any consensual encumbrance or restriction on the ability of any Subsidiary of the Borrower to (a) make Restricted Payments in respect of any Capital Stock of such Subsidiary held by, or pay any Indebtedness owed to, the Borrower or any other Subsidiary of the Borrower, (b) make loans or advances to, or other Investments in, the Borrower or any other Subsidiary of the Borrower or (c) transfer any of its assets to the Borrower or any other Subsidiary of the Borrower, except for such encumbrances or restrictions existing under or by reason of (i) any restrictions existing under the Loan Documents and (ii) any restrictions with respect to a Subsidiary imposed pursuant to an agreement that has been entered into in connection with the Disposition of all or substantially all of the Capital Stock or assets of such Subsidiary.

8.16. Lines of Business; Business of Holdings. (a) With respect to the Borrower and its Subsidiaries, enter into any business, either directly or through any Subsidiary, except for those businesses in which the Borrower and its Subsidiaries are engaged on the date of this Agreement or that are reasonably related thereto.

(b) With respect to Holdings, (i) conduct, transact or otherwise engage in, or commit to conduct, transact or otherwise engage in, any business or operations other than those

incidental to its ownership of the Capital Stock of the Borrower, (ii) incur, create, assume or suffer to exist any Indebtedness, except (x) nonconsensual obligations imposed by operation of law, (y) pursuant to the Loan Documents to which it is a party, and (z) obligations with respect to its Capital Stock, or (iii) own, lease, manage or otherwise operate any properties or assets (including cash (other than cash received in connection with Restricted Payments made by the Borrower in accordance with Section 8.6 pending application in the manner contemplated by said Section) and Cash Equivalents) other than the ownership of shares of Capital Stock of the Borrower and any activities incidental to its ownership of such Capital Stock.

8.17. Bankruptcy Matters.

(a) Incur, create, assume, suffer to exist or permit a priority claim for any administrative expenses or unsecured claim against the Borrower or any Guarantor (now existing or hereafter arising of any kind or nature whatsoever, including without limitation any administrative expense of the kind specified in Sections 503(b), 506(c) or 507(b)) of the Bankruptcy Code equal or senior to the priority claim of the Agents and the other Secured Parties in respect of the Obligations other than the Carve-Out.

(b) Consent or suffer to exist any Lien on the Collateral having a priority equal or senior to the Liens in favor of the Collateral Agent and the other Secured Parties in respect of the Obligations or the indebtedness under the Prepetition Facilities, except for legal, valid and enforceable Existing Liens and the Carve-Out;

(c) Seek or consent to, any modification, stay, vacation or amendment to (i) any "first day order" having an adverse effect on the rights of the Lenders under this Agreement or (ii) the Final Order.

(d) Seek or consent to any order seeking authority to take any action prior to the effectiveness of the Plan of Reorganization that is prohibited by the terms of this Agreement or the other Loan Documents or refrain from taking any action that is required to be taken by the terms of this Agreement or any of the other Loan Documents.

(e) Seek or consent to any plan of reorganization (other than the Plan of Reorganization) or liquidation unless all of the Obligations (other than contingent indemnification obligations) are to be paid in full in cash or other immediately available funds and the arrangements provided for herein are terminated pursuant thereto prior to or contemporaneously with the effectiveness of such plan.

(f) Seek or consent to a sale of substantially all of the Collateral unless all of the Obligations are to be paid from the proceeds thereof.

SECTION 9. 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 or Reimbursement Obligation when due in accordance with the terms hereof (other than a payment required under Section 4.2(g)); or the Borrower shall fail to pay any interest on any Loan or

Reimbursement Obligation, or any other amount payable hereunder or under any other Loan Document, within five days after any such 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, document or financial or other statement furnished by it at any time under or in connection with this Agreement or any such other Loan Document shall prove to have been inaccurate in any material respect on or as of the date made or deemed made; or

(c) (i) any Loan Party shall default in the observance or performance of any agreement contained in clause (i) of Section 7.4(a) (with respect to Holdings and the Borrower only), Section 7.1, Section 7.2 (other than Section 7.2(h), (i), (j) or (k)), Section 7.7(a) or Section 8 of this Agreement; or

(d) any Loan Party shall default in the observance or performance of Section 4.2(g) or Section 7.2(h) or (i) and such default shall continue unremedied for a period of five Business Days, or any Loan Party shall default in the observance or performance of Section 7.2(j) or (k) and such default shall continue unremedied for a period of two Business Days, or 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 30 days after the earlier of (i) the date on which a Responsible Officer of any Loan Party becomes aware of such failure, and (ii) the date on which written notice thereof is delivered by the Administrative Agent or the Required Lenders to the Borrower; or

(e) [Reserved]

(f) [Reserved]

(g) (i) any Group Member or any Commonly Controlled Entity shall engage in any "prohibited transaction" (as defined in Section 406 of ERISA or Section 4975 of the Code) involving any Plan, (ii) any "accumulated funding deficiency" (as defined in Section 302 of ERISA), whether or not waived, shall exist with respect to any Plan or any Lien in favor of the PBGC or a Plan shall arise on the assets of any Group Member or any Commonly Controlled Entity, (iii) 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, (iv) any Single Employer Plan shall terminate for purposes of Title IV of ERISA, (v) any Group Member or any Commonly Controlled Entity shall, or in the reasonable opinion of the Required Lenders is likely to, incur any liability in connection with a withdrawal from, or the Insolvency or Reorganization of, a Multiemployer Plan or (vi) any other event or condition shall occur or exist with respect to a Plan; and in each case in clauses (i) through (vi) above, such event or condition, together with all other

such events or conditions, if any, could, in the sole judgment of the Required Lenders, reasonably be expected to have a Material Adverse Effect; or

(h) one or more judgments or decrees shall be entered against any Group Member, 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

(i) any of the Security Documents shall cease, for any reason, to be in full force and effect, or any Loan Party or any Affiliate of any Loan Party shall so assert, or any Lien created by any of the Security Documents shall cease to be enforceable and of the same effect and priority purported to be created thereby or any Loan Party or any Affiliate of any Loan Party shall so assert; or

(j) the guarantee contained in Section 4.18 or Section 2 of any Guarantee and Collateral Agreement shall cease, for any reason, to be in full force and effect or any Loan Party or any Affiliate of any Loan Party shall so assert; or

(k) (i) the Permitted Investors shall cease to have the power to vote or direct the voting of securities having a majority of the ordinary voting power for the election of directors of Holdings (determined on a fully diluted basis); (ii) the Permitted Investors shall cease to own of record and beneficially an amount of Capital Stock of Holdings equal to at least 35% of the amount of Capital Stock of Holdings owned by the Permitted Investors of record and beneficially as of the Closing Date; (iii) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")), excluding the Permitted Investors or any such group existing on the Closing Date, shall become, or obtain rights (whether by means or warrants, options or otherwise) to become, the "beneficial owner" (as defined in Rules 13(d)-3 and 13(d) 5 under the Exchange Act), directly or indirectly, of more than 20% of the outstanding Capital Stock of Holdings; (iv) the board of directors of Holdings shall cease to consist of a majority of Continuing Directors; (v) Holdings shall cease to own and control, of record and beneficially, directly, 100% of each class of outstanding Capital Stock of the Borrower free and clear of all Liens (except Liens permitted under Section 8.3); or (vi) a Specified Change of Control shall have occurred; or

(l) (i) any of the Cases shall be dismissed or converted to a case under Chapter 7 of the Bankruptcy Code or the Borrower or any Guarantor shall file a motion or other pleading seeking the dismissal of any of the Cases under Section 1112 of the Bankruptcy Code or otherwise; a trustee under Chapter 7 or Chapter 11 of the Bankruptcy Code, a responsible officer or an examiner with enlarged powers relating to the operation of the business (powers beyond those set forth in Section 1106(a)(3) and (4) of the Bankruptcy Code) under Section 1106(b) of the Bankruptcy Code shall be appointed in any of the Cases; (ii) Holdings' board of directors shall authorize a liquidation of the Borrower's business; (iii) an application shall be filed by the Borrower or any Guarantor for the approval of any other Superpriority Claim (other than the Carve-Out) in any of the Cases which is pari passu with or senior to the claims of the Agents and the Lenders against the Borrower or any Guarantor hereunder, or there shall be granted any such pari passu or senior Superpriority Claim; (iv) the Bankruptcy Court

shall enter an order amending, supplementing, altering, staying, vacating, rescinding or otherwise modifying the the Final Order (after entry thereof) or any other order with respect to the Cases affecting in any material respect this Agreement or the other Loan Documents, without the Required Lenders' consent, (v) the Bankruptcy Court shall enter an order or orders granting relief from the automatic stay applicable under Section 362 of the Bankruptcy Code to the holder or holders of any security interest (other than the Agents and the Lenders) to permit foreclosure (or the granting of a deed in lieu of foreclosure or the like) on any Collateral of the Borrower or any of the Guarantors which have a value in excess of $500,000 in the aggregate; (vi) the Plan of Reorganization shall not have been confirmed pursuant to an order of the Bankruptcy Court on or by the date which is 90 days following the Closing Date; or (vii) the Bankruptcy Court shall enter an order approving the sale, transfer, lease, exchange, alienation or other disposition of all or substantially all of the assets, properties or Capital Stock or other equity interests of any Loan Party pursuant to Section 363 of the Bankruptcy Code or otherwise (except any such sale, transfer, lease, exchange, alienation or other disposition permitted by this Agreement), without the consent of the Required Lenders; or

(m) the Bankruptcy Court shall fail to enter the Final Order within thirty (30) days of the Filing Date; or

(n) any of the Loan Parties shall file a motion in the Cases (i) except as provided in the Orders, to use cash collateral of the Lenders under Section 363(c) of the Bankruptcy Code without the Required Lenders' consent, (ii) to recover from any portions of the Collateral any costs or expenses of preserving or disposing of such Collateral under Section 506(c) of the Bankruptcy Code, (iii) to sell, transfer, lease, exchange, alienate or otherwise dispose of all or substantially all of the assets, properties or Capital Stock or other equity interest of any Loan Party pursuant to Section 363 of the Bankruptcy Code or otherwise without the consent of the Required Lenders, or (iv) to take any other action or actions adverse to the Lenders or their rights and remedies hereunder or under any of the other Loan Documents or any of the documents evidencing or creating the Secured Parties' interest in any of the Collateral; or

(o) any payment of prepetition Indebtedness (other than prepetition Indebtedness contemplated to be paid pursuant to the Approved Budget and as approved by the Bankruptcy Court and in accordance with the Approved Budget);

then, subject to the terms, conditions and provisions of the applicable Order, and in any such event, (A) if such event is an Event of Default specified in clause (i) or (ii) of paragraph (l) above with respect to the Borrower, automatically, without further order or application to the Bankruptcy Court, the Commitments shall immediately terminate and the Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents (including all amounts of L/C Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder) shall immediately become due and payable and (B) if such event is any other Event of Default, with five Business Days' prior notice to the Borrower (and its counsel) and the United States Trustee for the District of Delaware, and without further order of or application to the Bankruptcy Court, either or both of the following actions may be taken: (i) with the consent of the Required

Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Borrower declare the Revolving Commitments to be terminated forthwith, whereupon the Revolving Commitments shall immediately terminate; and (ii) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Borrower, declare the Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents (including all amounts of L/C Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder) to be due and payable forthwith, whereupon the same shall immediately become due and payable. With respect to all Letters of Credit with respect to which presentment for honor shall not have occurred at the time of an acceleration pursuant to this paragraph, the Borrower shall at such time deposit in a cash collateral account opened by the Administrative Agent an amount equal to the aggregate then undrawn and unexpired amount of such Letters of Credit. Amounts held in such cash collateral account shall be applied by the Administrative Agent to the payment of drafts drawn under such Letters of Credit, and the unused portion thereof after all such Letters of Credit shall have expired or been fully drawn upon, if any, shall be applied to repay other obligations of the Borrower hereunder and under the other Loan Documents. After all such Letters of Credit shall have expired or been fully drawn upon, all Reimbursement Obligations shall have been satisfied and all other obligations of the Borrower hereunder and under the other Loan Documents shall have been paid in full, the balance, if any, in such cash collateral account shall be returned to the Borrower (or such other Person as may be lawfully entitled thereto). Except as expressly provided above in this Section, presentment, demand, protest and all other notices of any kind are hereby expressly waived by the Borrower.

SECTION 10. THE AGENTS

10.1. Appointment. (a) Each Lender hereby irrevocably designates and appoints each Agent as the agent of such Lender under this Agreement and the other Loan Documents, and each such Lender irrevocably authorizes such 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 such 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, no Agent shall have any duties or responsibilities, except those expressly set forth herein, 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 any Agent.

(b) Each of the Secured Parties hereby irrevocable designates and appoints BNP Paribas as Collateral Agent of such Secured Party under this Agreement and the other Loan Documents (in such capacity, the "Collateral Agent"), and each such Secured Party irrevocably authorizes the Collateral Agent, in such capacity, to take such action on its behalf as are necessary or advisable with respect to the Collateral under this Agreement or any of the other Loan Documents, together with such powers as are reasonably incidental thereto. The Collateral Agent hereby accepts such appointment.

10.2. Delegation of Duties. Each 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. No Agent shall be responsible for the negligence or misconduct of any agents or attorneys in fact selected by it with reasonable care.

10.3. Exculpatory Provisions. Neither any Agent nor any of their respective 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 to have resulted from its or such Person's own 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 Agents 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 Agents 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.

10.4. Reliance by Agents. Each 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 such Agent. The Administrative Agent may deem and treat the Lender specified in the Register with respect to any amount owing hereunder 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. Each 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) 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 Agents 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), 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.

10.5. Notice of Default. No Agent shall be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder unless such Agent 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 any other instructing group of Lenders specified by this Agreement); 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.

10.6. Non Reliance on Agents and Other Lenders. Each Lender expressly acknowledges that neither the Agents nor any of their respective officers, directors, employees, agents, attorneys in fact or Affiliates have made any representations or warranties to it and that no act by any 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 any Agent to any Lender. Each Lender represents to the Agents that it has, independently and without reliance upon any 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 any 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.

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

10.8. Agent in Its Individual Capacity. Each 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 such Agent were not an 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, each 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 an Agent, and the terms "Lender" and "Lenders" shall include each Agent in its individual capacity.

10.9. Successor Agents. The Administrative Agent and the Collateral Agent may resign as Administrative Agent and Collateral Agent, respectively, upon 30 days' notice to the Lenders and the Borrower. If the Administrative Agent or Collateral Agent, as applicable, shall resign as Administrative Agent or Collateral Agent, as applicable, under this Agreement and the other Loan Documents, then the Required Lenders shall appoint from among the Lenders a successor agent for the Lenders, which successor agent shall (unless an Event of Default under Section 9(a) shall have occurred and be continuing) be subject to approval by the Borrower (which approval shall not be unreasonably withheld or delayed), whereupon such successor agent shall succeed to the rights, powers and duties of the Administrative Agent or Collateral Agent, as applicable, and the term "Administrative Agent" or "Collateral Agent," as applicable, shall mean such successor agent effective upon such appointment and approval, and the former Administrative Agent's, or Collateral Agent's, as applicable, rights, powers and duties as Administrative Agent or Collateral Agent, as applicable, shall be terminated, without any other or further act or deed on the part of such former Administrative Agent or Collateral Agent, as applicable, or any of the parties to this Agreement or any holders of the Loans. If no successor agent has accepted appointment as Administrative Agent or Collateral Agent, as applicable, by the date that is 30 days following a retiring Administrative Agent's or Collateral Agent's, as applicable, notice of resignation, the retiring Administrative Agent's or Collateral Agent's, as applicable, resignation shall nevertheless thereupon become effective and the Lenders shall assume and perform all of the duties of the Administrative Agent or Collateral Agent, as applicable, hereunder until such time, if any, as the Required Lenders appoint a successor agent as provided for above. After any retiring Administrative Agent's or Collateral Agent's, as applicable, resignation as Administrative Agent or Collateral Agent, as applicable, the provisions of this Section 10 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent or Collateral Agent, as applicable, under this Agreement and the other Loan Documents.

10.10. Agents Generally. Except as expressly set forth herein, no Agent shall have any duties or responsibilities hereunder in its capacity as such. Notwithstanding anything to the contrary contained herein or in any other Loan Document, the Collateral Agent shall act in accordance with any directions received from the Required Lenders; provided that, such directions do not violate the terms of this Agreement or any other Loan Document or any provision of applicable law.

SECTION 11. MISCELLANEOUS

11.1. 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 11.1. 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 of 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, as the case may be, 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 forgive or reduce any interest or fee payable hereunder (except (x) in connection with the waiver of applicability of any post-default increase in interest rates, which waiver shall be effective with the consent of the Required Lenders and (y) that any amendment or modification of defined terms used in the financial covenants in this Agreement shall not constitute a reduction in the rate of interest or fees for purposes of this clause (i)) 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 affected thereby; (ii) eliminate or reduce the voting rights of any Lender under this Section 11.1 without the written consent of such Lender; (iii) 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 Holdings or all or substantially all of the Subsidiary Guarantors from their obligations under any Security Documents, in each case without the written consent of all Lenders; (iv) amend, modify or waive any provision of Section 10 without the written consent of each Agent adversely affected thereby; (v) amend, modify or waive any provision of Section 11.6 to further restrict any Lender's ability to assign or otherwise transfer its or obligations hereunder without the written consent of all Lenders, (vi) amend, modify or waive any provision of Section 3.3 or 3.4 without the written consent of the Swingline Lender; or (vii) amend, modify or waive any provision of Sections 3.7 to 3.14 without the written consent of the Issuing Lender; provided, further, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except to the extent the consent of such Lender would be required under the foregoing clause (i) of this Section 11.1; provided, further, that should the Borrower and the Administrative Agent agree to effectuate prepayments required pursuant to Section 4.2(g) through the automatic transfer of such excess amounts from any Lender to the Administrative Agent, the Administrative Agent shall be permitted to waive any requirements for the delivery of a Bi-Weekly Cash Report required hereunder without Lender consent. 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 Agents and all future holders of the Loans. In the case of any waiver, the Loan Parties, the Lenders and the Agents 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; but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon.

11.2. 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 Holdings, the Borrower and the Agents, 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:

Holdings or the Borrower:	Quality Home Brands Holdings LLC 1100 Crescent Green Suite 105 Cary, NC 27518 Attention: Dan Macsherry Telecopy: (718) 401-0321 Telephone: (718) 292-2024
The Administrative Agent:	BNP Paribas 209 S. LaSalle Street, Suite 50 Chicago, IL 60604 Attention: Michael Colias Telecopy: (312) 977-1380 Telephone: (312) 977-2235
with a copy to:	BNP Paribas 787 Seventh Avenue New York, New York 10019-6016 Attention: Charles Romano Telecopy: (212) 841-3065 Telephone: (212) 841-2968

provided that any notice, request or demand to or upon any Agent, the Issuing Lender or the Lenders 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 or 3 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.

11.3. No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of any 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.

11.4. 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.

11.5. Payment of Expenses and Taxes. The Borrower agrees (a) to pay or reimburse each Agent for all its reasonable 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 and 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 the reasonable fees and disbursements of counsel to such Agent and filing and recording fees and expenses, with statements with respect to the foregoing to be submitted to the Borrower prior to the Closing Date (in the case of amounts to be paid on the Closing Date) and from time to time thereafter on a quarterly basis or such other periodic basis as such Agent shall deem appropriate, (b) to pay or reimburse each Lender and Agent for all its costs and expenses incurred in connection with the enforcement or preservation of any rights under this Agreement, the other Loan Documents and any such other documents, including the fees and disbursements of counsel (including the allocated fees and expenses of in-house counsel) to each Lender and of counsel to such Agent, (c) to pay, indemnify, and hold each Lender and 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, stamp, excise and other taxes, if any, that 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 (d) to pay, indemnify, and hold each Lender and Agent and their respective officers, directors, employees, affiliates, trustees, advisors, agents and controlling persons (each, an "Indemnitee") harmless from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Agreement, the other Loan Documents (regardless of whether any Loan Party is or is not a party to any such actions or suits) and any such other documents, including 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 any Group Member or any of the Properties and the reasonable fees and expenses of legal counsel in connection with claims, actions or proceedings by any Indemnitee against any Loan Party under any Loan Document (all the foregoing in this clause (d), 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 final and nonappealable decision of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of such Indemnitee. Without limiting the

foregoing, and to the extent permitted by applicable law, Holdings agrees not to assert and to cause its Subsidiaries not to assert, and hereby waives and agrees to cause its Subsidiaries to waive, all rights for contribution or any other rights of recovery with respect to all claims, demands, penalties, fines, liabilities, settlements, damages, costs and expenses of whatever kind or nature, under or related to Environmental Laws, that any of them might have by statute or otherwise against any Indemnitee. All amounts due under this Section 11.5 shall be payable not later than 10 days after written demand therefor. Statements payable by the Borrower pursuant to this Section 11.5 shall be submitted to William Haley (Telephone No. (718) 292-2024) (Telecopy No. (718) 401-0321), at the address of the Borrower set forth in Section 11.2, 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 11.5 shall survive repayment of the Loans and all other amounts payable hereunder.

11.6. 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 the 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 assign to one or more assignees (each, an "Assignee") 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, delayed or conditioned) of:

(A) the Borrower, provided that no consent of the Borrower shall be required for an (x) assignment to a Lender, an Affiliate of a Lender, an Approved Fund or, if an Event of Default has occurred and is continuing, any other Person or (y) any assignment by the Administrative Agent (or its Affiliates); and

(B) the Administrative Agent, provided that no consent of the Administrative Agent shall be required for an assignment to an Assignee that is a Lender, an Affiliate of a Lender or an Approved Fund immediately prior to giving effect to such assignment, except in the case of an assignment of a Revolving Commitment; and

(C) in the case of any assignment of a Revolving Commitment, the Issuing Lender and the Swingline 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, an assignment effected by the Administrative Agent in connection with the initial syndication of the Commitments or an assignment of

the entire remaining amount of the assigning Lender's Commitments or Loans, the amount of the Commitments or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than $1,000,000 unless each of the Borrower and the Administrative Agent otherwise consent, provided that (1) no such consent of the Borrower shall be required if an Event of Default has occurred and is continuing and (2) such amounts shall be aggregated in respect of each Lender and its affiliates or Approved Funds, if any;

(B) except in the case of assignments pursuant to clause (iii) below, 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 simultaneous assignments in respect of a Lender and its Affiliates or Approved Funds shall be treated as a single assignment; provided further that such processing and recordation fee shall not be required for any assignments made by the Administrative Agent or its Affiliates; and

(C) except in the case of assignments pursuant to clause (iii) below, the Assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an administrative questionnaire.

(iii) Notwithstanding anything in this Section 11.6 to the contrary, a Lender may assign any or all of its rights hereunder to an Affiliate of such Lender or an Approved Fund without (a) providing any notice (including, without limitation, any administrative questionnaire) to the Administrative Agent or any other Person or (b) delivering an executed Assignment and Assumption to the Administrative Agent, provided that (A) such assigning Lender shall remain solely responsible to the other parties hereto for the performance of its obligations under this Agreement, (B) the Borrower, the Administrative Agent, the Issuing Lender and the other Lenders shall continue to deal solely and directly with such assigning Lender in connection with such assigning Lender's rights and obligations under this Agreement until an Assignment and Assumption and an administrative questionnaire have been delivered to the Administrative Agent, (C) the failure of such assigning Lender to deliver an Assignment and Assumption or administrative questionnaire to the Administrative Agent or any other Person shall not affect the legality, validity or binding effect of such assignment and (D) an Assignment and Assumption between an assigning Lender and its Affiliate or Approved Fund shall be effective as of the date specified in such Assignment and Assumption.

(iv) Except as otherwise provided in clause (iii) above, 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 entitled to the benefits of Sections 4.9, 4.10,

4.11 and 11.5). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 11.6 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.

(v) 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 of the Loans and L/C Obligations owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). Subject to the penultimate sentence of this Section 11.6(b)(v), the entries in the Register shall be conclusive, and the Borrower, the Administrative Agent, the Issuing Lender and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. In the case of an assignment to an Affiliate of a Lender or an Approved Fund pursuant to Section 11.6(b)(iii), as to which an Assignment and Assumption and an administrative questionnaire are not delivered to the Administrative Agent, the assigning Lender shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register (a "Related Party Register") comparable to the Register on behalf of the Borrower. The Register or Related Party Register shall be available for inspection by the Borrower, the Issuing Lender and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(vi) Except as otherwise provided in clause (iii) above, 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. Except as otherwise provided in clause (iii) above, no assignment shall be effective for purposes of this Agreement unless and until it has been recorded in the Register (or, in the case of an assignment pursuant to clause (iii) above, the applicable Related Party Register) as provided in this Section 11.6(b).

(c) (i) Any Lender may, without the consent of the Borrower or the Administrative Agent, sell participations to one or more banks or other entities (a "Participant") 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 and (C) the Borrower, the Administrative Agent, the Issuing Lender 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. 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 each Lender directly affected thereby pursuant to the proviso to the second

sentence of Section 11.1 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 4.9, 4.10 and 4.11 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant and its participations are recorded in the Register in accordance with Section 11.6(b)(v) as if such Participant were a Lender. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 11.7(b) as though it were a Lender, provided such Participant shall be subject to Section 11.7(a) as though it were a Lender; provided that such Participant and its participations are recorded in the Register in accordance with Section 11.6(b)(v) as if such Participant were a Lender.

(ii) A Participant shall not be entitled to receive any greater payment under Section 4.9 or 4.10 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. Any Participant that is a Non-U.S. Lender shall not be entitled to the benefits of Section 4.10 unless such Participant complies with Section 4.10(d).

(d) Any Lender may 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 or any other Person, and may sell or securitize such obligations, and this Section shall not apply to any such pledge or assignment of a security interest or to any such sale or securitization; 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. In addition, notwithstanding anything to the contrary contained herein, any Lender that is a Fund may (without the consent of the Administrative Agent or the Borrower) grant a security interest in all or any portion of the Loans owing to it and the Notes (if any) held by it to the trustee or other representative of holders of obligations owed, or securities issued, by such Fund as security for such obligations or securities, provided that unless and until such trustee or other representative actually becomes a Lender in compliance with the other provisions of this Section, (i) no such pledge shall release the pledging Lender from any of its obligations under this Agreement and (ii) such trustee or other representative shall not be entitled to exercise any of the rights of a Lender under this Agreement and the Notes (if any) even though such trustee may have acquired ownership rights with respect to the pledged interest through foreclosure or otherwise.

(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) Notwithstanding the foregoing, any Conduit Lender may assign any or all of the Loans it may have funded hereunder to its designating Lender without the consent of the Borrower or the Administrative Agent and without regard to the limitations set forth in Section 11.6(b). Each of Holdings, the Borrower, each Lender and the Administrative Agent hereby confirms that it will not institute against a Conduit Lender or join any other Person in instituting against a Conduit Lender any bankruptcy, reorganization, arrangement, insolvency

or liquidation proceeding under any state bankruptcy or similar law, for one year and one day after the payment in full of the latest maturing commercial paper note issued by such Conduit Lender; provided, however, that each Lender designating any Conduit Lender hereby agrees to indemnify, save and hold harmless each other party hereto for any loss, cost, damage or expense arising out of its inability to institute such a proceeding against such Conduit Lender during such period of forbearance.

11.7. Adjustments; Set off. (a) Except to the extent that this Agreement expressly provides for payments to be allocated to a particular Lender, if any Lender (a "Benefited Lender") shall 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 set off, or otherwise), in a greater proportion than any such payment to or collateral received by any other Lender, if any, in respect of the Obligations owing to such other Lender, such Benefited Lender shall purchase for cash from the other Lenders a participating interest in such portion of the Obligations owing to each such other Lender, 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) In addition to any rights and remedies of the Lenders provided by law, each Lender shall have the right, without prior notice to Holdings or the Borrower, any such notice being expressly waived by Holdings and the Borrower to the extent permitted by applicable law, upon any amount becoming due and payable by Holdings or the Borrower hereunder (whether at the stated maturity, by acceleration or otherwise), to set off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final), 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 Holdings or the Borrower, as the case may be. 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.

11.8. 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.

11.9. 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.

11.10. Integration. This Agreement and the other Loan Documents represent the entire agreement of Holdings, the Borrower, the Agents and the Lenders with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by any Agent or any Lender relative to subject matter hereof not expressly set forth or referred to herein or in the other Loan Documents.

11.11. **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.**

11.12. Submission To Jurisdiction; Waivers. Each of Holdings and the Borrower 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 courts of the State of New York sitting in the Borough of Manhattan, 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 Holdings or the Borrower, as the case may be at its address set forth in Section 11.2 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.

11.13. Acknowledgments. Each of Holdings and 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) no Agent or Lender has any fiduciary relationship with or duty to Holdings or the Borrower arising out of or in connection with this Agreement or any of

the other Loan Documents, and the relationship between the Agents and Lenders, on one hand, and Holdings 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 Holdings, the Borrower and the Lenders.

11.14. Releases of Guarantees and Liens. (a) Notwithstanding anything to the contrary contained herein or in any other Loan Document, each of the Administrative Agent and the Collateral Agent is hereby irrevocably authorized by each Lender (without requirement of notice to or consent of any Lender except as expressly required by Section 11.1) to take any action requested by the Borrower having the effect of releasing any Collateral or guarantee obligations (i) to the extent necessary to permit consummation of any transaction not prohibited by any Loan Document or that has been consented to in accordance with Section 11.1 or (ii) under the circumstances described in paragraph (b) below.

(b) At such time as the Loans, the Reimbursement Obligations and the other obligations under the Loan Documents shall have been paid in full, the Commitments have been terminated, all Letters of Credit shall have been discharged or secured by a collateral arrangement satisfactory to the Issuing Lender in its sole discretion, the Collateral shall be released from the Liens created by the Security Documents, and the Security Documents and all obligations (other than those expressly stated to survive such termination) of the Administrative Agent, the Collateral Agent and each Loan Party under the Security Documents shall terminate, all without delivery of any instrument or performance of any act by any Person.

11.15. Confidentiality. Each Agent and each Lender agrees to keep confidential all non-public information provided to it by any Loan Party pursuant to this Agreement that is designated by such Loan Party as confidential in accordance with its customary procedures for handling its own confidential information; provided that nothing herein shall prevent any Agent or any Lender from disclosing any such information (a) to any Agent, any other Lender, any Affiliate of a Lender or any Approved Fund, (b) subject to an agreement to comply with the provisions of this Section, to any actual or prospective Transferee, (c) to its employees, directors, agents, attorneys, accountants and other professional advisors or those of any of its affiliates, (d) upon the request or demand of any Governmental Authority, (e) in response to any order of any court or other Governmental Authority or as may otherwise be required pursuant to any Requirement of Law, (f) if requested or required to do so in connection with any litigation or similar proceeding, (g) that has been publicly disclosed, (h) 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 (i) in connection with the exercise of any remedy hereunder or under any other Loan Document.

11.16. **WAIVERS OF JURY TRIAL. HOLDINGS, THE BORROWER, THE AGENTS 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.

11.17. Delivery of Addenda. Each initial Lender shall become a party to this Agreement by delivering to the Administrative Agent an Addendum duly executed by such Lender.

11.18. Supplemental Schedules. From time to time, the Borrower shall be permitted to deliver to the Administrative Agent one or more supplemental Schedules updating the disclosures set forth on the Schedules hereto and upon such delivery, such supplemental Schedules shall replace in their entirety such prior Schedules, as the case may be, provided that such supplemental Schedules are approved by the Required Lenders. The Administrative Agent shall provide to each Lender a copy of any supplemental Schedules delivered by the Borrower pursuant to this Section 11.18.

11.19. Patriot Act Notice. Each Lender and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Loan Parties that pursuant to the requirements of the Patriot Act, it may be required to obtain, verify and record information that identifies each Loan Party, which information includes the name and address of such Loan Party and other information that will allow such Lender or the Administrative Agent, as applicable, to identify such Loan Party in accordance with the Patriot Act. The Borrower shall, and shall cause each of its Subsidiaries to, provide, to the extent commercially reasonable, such information and take such actions as are reasonably requested by the Administrative Agent or any Lenders in order to assist the Administrative Agent and the Lenders in maintaining compliance with the Patriot Act.

11.20. Conversion. Subject to the terms and conditions of this Agreement and in reliance upon the representations and warranties of the Borrower and Holdings herein, the Lenders hereby agree upon the Consummation of the Plan of Reorganization, the receipt by Holdings of not less than $20,000,000 from the proceeds of Series A Preferred Stock issued by Holdings to the Sponsors on terms and conditions satisfactory to the Administrative Agent and the Lenders, the full amount of which shall have been contributed by Holdings to the Borrower, and the satisfaction or waiver by the Required Lenders of all other conditions set forth in Section 6.1 of the Exit Credit Agreement (the "Conversion Conditions"), so long as no Event of Default has occurred and is continuing, to convert and continue all of the then outstanding principal amount of the Revolving Loans and Revolving Commitments under this Agreement into the equivalent amount of "Revolving Loans" "Revolving Commitments" as defined in the Exit Credit Agreement (the "Exit Loans"). Upon the satisfaction or waiver by the Required Lenders of the Conversion Conditions, such conversion shall (i) occur automatically, without action of any of the Lenders or any other Person, and (ii) be evidenced by the execution and delivery of the Exit Credit Agreement and the other "Credit Documents" as defined in the Exit Credit Agreement (collectively, the "Exit Loan Documents") by the Borrower, Holdings, the other Guarantors, the Administrative Agent and the Collateral Agent. The Exit Loans shall be governed by the Exit Loan Documents.

11.21. Order. In the event of any inconsistency between the terms and conditions of any of the Loan Documents and the Final Order, the provisions of the Final Order shall govern and control.

[Signatures on Next Page]

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:

QUALITY HOME BRANDS HOLDINGS LLC

By: _____
Name: Timothy W. Billings
Title: Treasurer

GUARANTORS:

QHB HOLDINGS LLC

By: _____
Name: Timothy W. Billings
Title: Assistant Secretary

GENERATION BRANDS LLC

By: _____
Name: Timothy W. Billings
Title: Treasurer

MURRAY FEISS IMPORT LLC

By: _____
Name: Timothy W. Billings
Title: Assistant Secretary

FOCUS GP LLC

By: _____
Name: Daniel Macsherry
Title: Vice President

LPC MANAGEMENT, L.L.C.

By: _____
Name: Daniel Macsherry
Title: Vice President

LIGHT PROCESS COMPANY, L.P.
By: LPC Management, L.L.C.,
its general partner

By: _____
Name: Daniel Macsherry
Title:

SEA GULL LIGHTING PRODUCTS LLC

By: _____
Name: Daniel Macsherry
Title: Assistant Secretary

WOODCO LLC

By: _____
Name: Daniel Macsherry
Title: Vice President

TECH L ENTERPRISES, INC.

By: _____
Name: Daniel Macsherry
Title: Vice President

TECH LIGHTING L.L.C.

By: _____
Name: Daniel Macsherry
Title: Vice President

LBL LIGHTING LLC

By: _____
Name: Daniel Macsherry
Title: Assistant Secretary

TECH L HOLDINGS, INC.

By: _____
Name: Timothy W. Billings
Title: Treasurer

BNP PARIBAS, as Administrative Agent and Collateral Agent and as a Lender

By: _____
Name: BROCK HARRIS
Title: MANAGING DIRECTOR

By: _____
Name: CHARLES ROMANO
Title: DIRECTOR

TABLE OF CONTENTS

SCHEDULE 1.1
to
CREDIT AGREEMENT

Designated Manufacturers

Fo Shan City Nan Hai Xing
Xinglong Glass Ltg Fty
Poli Lighting Industry Co
Zhongshan Royce Lighting
MDL Corporation
Alpha Emptor

SCHEDULE 3.1
to
CREDIT AGREEMENT

Revolving Commitments

Lender	Revolving Commitment	Revolving Percentage
BNP Paribas	$4,000,000.00	20.000000000%
Allied Irish Bank (NY)	$3,333,333.33	16.666666650%
AZB CLO 4 Limited	$3,333,333.33	16.666666650%
Chase Lincoln First Commercial Corporation	$4,000,000.00	20.000000000%
JPMorgan Chase Bank, N.A.	$5,333,333.34	26.666666650%

SCHEDULE 5.4
to
CREDIT AGREEMENT

CONSENTS, AUTHORIZATIONS, FILINGS AND NOTICES

Part A:

None.

Part B:

None.

SCHEDULE 5.6
to
CREDIT AGREEMENT

LITIGATION

Sea Gull Lighting Products, LLC ("Sea Gull") is currently a defendant in one asbestos-related lawsuit. Sea Gull is one of many defendants in that lawsuit, which is pending in New Jersey. In that lawsuit, the plaintiff's personal injury allegations against Sea Gull involve alleged exposure to an asbestos-containing product or products allegedly manufactured by Sea Gull.

We believe that the estimated costs of the asbestos-related lawsuit involving Sea Gull will not have a material adverse effect on the Borrower's consolidated financial condition or liquidity. However, there is no assurance that the Borrower or Sea Gull will not be subject to additional claims in the future or that the ultimate liability with respect to asbestos claims will not present significantly greater and longer lasting financial exposure than currently expected. The ultimate liability with respect to the current claim, and any unasserted claims, is subject to various uncertainties, including, but not limited to, the following: the number of claims that are brought in the future; the costs of defending and settling these claims; the risk of an adverse jury verdict or verdicts; and possible changes in the litigation environment or federal and state law governing asbestos claimants. Because of the uncertainties related to such claims, it is possible that the ultimate liability could have a material adverse effect on the Borrower's business, financial condition and results of operations.

SCHEDULE 5.9
to
CREDIT AGREEMENT

INTELLECTUAL PROPERTY

Outstanding issue with Pat Miranda, an employee of Murray Feiss Import LLC, regarding his registering of certain patents and trademarks in his own name during the course of his employment; as the works in question were created as works-for-hire Murray Feiss Import LLC would be the appropriate owner of the subject patents and trademarks.

SCHEDULE 5.10
to
CREDIT AGREEMENT

TAXES

None.

SCHEDULE 5.13

to
CREDIT AGREEMENT

ERISA MATTERS

The Sea Gull Lighting Products, Inc. Local 168 UERMWA Employees' Pension Plan and the Wood River Industries Company Hourly Employee's Pension plan have a cumulative unfunded pension liability of approximately $1,647,000 as of December 31, 2008.

SCHEDULE 5.15
to
CREDIT AGREEMENT

SUBSIDIARIES

Subsidiary Name/Jurisdiction of Organization	Capital Stock Owned By	% of Interest Owned
QHB Holdings LLC, a Delaware limited liability company	Generation Brands Holdings, Inc.	100%
Generations Brands LLC, a Delaware limited liability company	Quality Home Brands Holdings LLC Tech L Enterprises, Inc.	61.84% 31.16%
Quality Home Brands Holdings LLC, a Delaware limited liability company	QHB Holdings LLC, as sole member	100%
Tech L Holdings, Inc., a Delaware corporation	Quality Home Brands Holdings LLC, 1,000 shares	100%
Tech L Enterprises, Inc., a Delaware corporation	Tech L Holdings, Inc., 951,475.50 shares	100%
Tech Lighting L.L.C., a Delaware limited liability company	Generation Brands LLC, as sole member	100%
LBL Lighting LLC, a Delaware limited liability company	Tech Lighting L.L.C. (1 share)	100%
Murray Feiss Import LLC, a Delaware limited liability company[1]	Generation Brands LLC, as sole member	100%
Locust GP LLC, a Delaware limited liability company	Generation Brands LLC, as sole member	100%
MF Real Estate LLC, a Delaware limited liability company	Murray Feiss Import LLC, as sole member	100%
Locust 140th Street L.P., a Delaware limited partnership	Murray Feiss Import LLC, as limited partner Locust GP LLC, as general partner	99% 1%

[1] There is Stock Appreciation Rights Plan at Murray Feiss Import LLC.

Subsidiary Name/Jurisdiction of Organization	Capital Stock Owned By	% of Interest Owned
Sea Gull Lighting Products LLC, a Delaware limited liability company	Generation Brands LLC, as sole member	100%
Woodco LLC, a Pennsylvania limited liability company	Sea Gull Lighting Products LLC, as sole member	100%
LPC Management, L.L.C., a Texas limited liability company	Generation Brands LLC, as sole member	100%
Light Process Company, L.P., a Texas limited partnership	Generation Brands LLC, as limited partner LPC Management, L.L.C., as general partner	99% 1%

SCHEDULE 5.17
to
CREDIT AGREEMENT

ENVIRONMENTAL MATTERS

1. Assumptions of liability under the Environmental Laws pursuant to the Contribution and Securities Purchase Agreement dated May 21, 2004 by and among Murray Feiss, June Hersh, Ronald Hersh, Andrea Greene, Robert Greene, Murray Feiss IGDT Trust #1, Murray Feiss Holdings LLC, and MFI Investors, Inc.

2. Environmental matters pertaining to the 125 Rose Feiss Boulevard and 295 Locust Avenue properties owned by the Borrower as previously disclosed by the Borrowers to the Lenders via June 4, 2009 letter.

SCHEDULE 6.1(b)
to
CREDIT AGREEMENT

APPROVED BUDGET

[Attached.]

"Approved Budget - DIP Credit Agreement"

Private and Confidential

Quality Home Brands Holdings LLC
DIP Budget
December 4, 2009
Actual as of November 27, 2009

	Week of Filing	Forecast Week 2	Forecast Week 3	Forecast Week 4	Forecast Week 5	Forecast Week 6	Forecast Week 7	Forecast Week 8	Forecast Week 9	Forecast Week 10	Forecast Week 11	Forecast Week 12	Forecast Week 13	
	Forecast Week 1 12/4/09	12/11/09	12/18/09	12/25/09	1/1/10	1/8/10	1/15/10	1/22/10	1/29/10	2/5/10	2/12/10	2/19/10	2/26/10	Closing
Opening Cash Balance	*$16,274,952*	*$13,411,839*	*$14,623,015*	*$15,301,078*	*$5,698,253*	*$5,000,000*	*$5,000,000*	*$5,000,000*	*$5,000,000*	*$5,000,000*	*$5,000,000*	*$5,000,000*	*$5,000,000*	*$5,000,000*
Cash Receipts														
Cash Receipts	$2,825,244	$3,924,176	$4,863,063	$2,627,187	$3,420,695	$3,383,834	$6,180,650	$3,246,121	$4,123,605	$3,364,327	$6,295,352	$4,057,420	$4,008,034	$0
Equity Investment														$20,000,000
Operating Cash Receipts	**$2,825,244**	**$3,924,176**	**$4,863,063**	**$2,627,187**	**$3,420,695**	**$3,383,834**	**$6,180,650**	**$3,246,121**	**$4,123,605**	**$3,364,327**	**$6,295,352**	**$4,057,420**	**$4,008,034**	**$20,000,000**
Cash Disbursements														
Operating Disbursements														
Payments to merchandise vendors	($2,157,500)	($1,533,500)	($2,808,800)	($1,803,336)	($2,051,240)	($2,863,364)	($2,468,983)	($2,702,611)	($2,122,804)	($2,471,435)	($2,895,587)	($2,734,695)	($1,703,095)	$0
Advertising (net of co-op) / Marketing materials	($219,981)	($161,000)	($55,000)	($50,000)	($30,000)	($40,000)	($40,000)	($55,000)	($37,500)	($37,500)	($42,500)	($52,500)	($37,500)	$0
Commissions and royalties	($3,908)	($1,500)	($501,500)	($732,864)	($301,500)	($123,908)	($501,500)	($626,500)	($301,500)	($4,000)	($1,500)	($1,051,500)	($1,500)	$0
Other SG&A	($113,511)	($95,000)	($89,200)	($136,800)	($86,200)	($118,511)	($85,000)	($131,800)	($85,000)	($62,500)	($170,000)	($202,500)	($125,000)	$0
Payroll and payroll tax payments	($643,000)	($643,000)	($643,000)	($643,000)	($673,000)	($673,000)	($698,000)	($673,000)	($673,000)	($1,073,000)	($673,000)	($673,000)	($673,000)	$0
Rent	($204,000)	($101,000)	$0	($35,712)	($151,000)	($174,000)	($1,000)	($35,712)	$0	($250,000)	($69,000)	($35,712)	$0	$0
Insurance	($5,250)	($141,000)	($71,500)	($359,000)	($5,250)	($161,000)	($66,500)	($359,000)	($2,500)	$0	($224,500)	($29,500)	$0	$0
Capital expenditures	$0	($20,000)	$0	($20,000)	$0	($20,000)	$0	($20,000)	$0	($20,000)	$0	($108,000)	($10,000)	$0
Utilities	($115,850)	($2,000)	($1,000)	($16,000)	($21,500)	($100,850)	($1,000)	($23,500)	($1,000)	($16,000)	($35,000)	($48,000)	($1,000)	$0
Total Operating Disbursements	**($3,463,000)**	**($2,698,000)**	**($4,170,000)**	**($3,796,712)**	**($3,319,690)**	**($4,274,633)**	**($3,861,983)**	**($4,627,123)**	**($3,223,304)**	**($3,934,435)**	**($4,111,087)**	**($4,935,407)**	**($2,551,095)**	**$0**
Financial Disbursements														
Revolver Balance (Net Cash In / Out)	$0	$0	$0	($8,230,000)	$4,266,086	$905,799	($2,303,667)	$1,396,002	($885,301)	$903,371	($769,264)	$892,988	$1,618,061	($6,024,076)
Revolver Interest	$0	$0	$0	($146,168)	($3,487)	$0	$0	$0	$0	($32,636)	$0	$0	$0	($28,490)
First Lien Principle (Req'd Pydn)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
First Lien Interest	$0	$0	$0	$0	($4,766,942)	$0	$0	$0	$0	$0	$0	$0	$0	($3,177,961)
Second Lien Interest	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Mortgage Interest and Amortization	($69,176)	$0	$0	$0	($68,910)	$0	$0	$0	$0	($68,644)	$0	$0	$0	$0
Unused Line Fee	$0	$0	$0	($42,132)	($1,718)	$0	$0	$0	$0	($7,696)	$0	$0	$0	($6,352)
Cap Lease	($199,288)	$0	$0	$0	($199,288)	$0	$0	$0	$0	($199,288)	$0	$0	$0	$0
DIP Fees	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Interest / Principal payments	($268,464)	$0	$0	($8,418,301)	($774,258)	$905,799	($2,303,667)	$1,396,002	($885,301)	$595,108	($769,264)	$892,988	$1,618,061	($9,236,878)
Professional Fee Disbursements														
Professional Fees and Other	($1,956,893)	($15,000)	($15,000)	($15,000)	($25,000)	($15,000)	($15,000)	($15,000)	($15,000)	($25,000)	($1,415,000)	($15,000)	($3,075,000)	($3,880,000)
Total Non-Operating Disbursements	($2,225,357)	($15,000)	($15,000)	($8,433,301)	($799,258)	$890,799	($2,318,667)	$1,381,002	($900,301)	$570,108	($2,184,265)	$877,988	($1,456,939)	($13,116,878)
Total Disbursements	**($5,688,357)**	**($2,713,000)**	**($4,185,000)**	**($12,230,013)**	**($4,118,948)**	**($3,383,834)**	**($6,180,650)**	**($3,246,121)**	**($4,123,605)**	**($3,364,327)**	**($6,295,352)**	**($4,057,420)**	**($4,008,034)**	**($13,116,878)**
Net Receipts / Disbursements	**($2,863,113)**	**$1,211,176**	**$678,063**	**($9,602,826)**	**($698,253)**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$6,883,122**
Ending Cash Balance	*$13,411,839*	*$14,623,015*	*$15,301,078*	*$5,698,253*	*$5,000,000*	*$5,000,000*	*$5,000,000*	*$5,000,000*	*$5,000,000*	*$5,000,000*	*$5,000,000*	*$5,000,000*	*$5,000,000*	*$11,883,122*
Total Revolver Availability (max $20M)	**$0**	**$0**	**$0**	**$20,000,000**	**$20,000,000**	**$20,000,000**	**$20,000,000**	**$20,000,000**	**$20,000,000**	**$20,000,000**	**$20,000,000**	**$20,000,000**	**$20,000,000**	**$20,000,000**
Revolver balance	$8,230,000	$8,230,000	$8,230,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
DIP Revolver Balance	$0	$0	$0	$0	$4,266,086	$5,171,885	$2,868,218	$4,264,221	$3,378,919	$4,282,291	$3,513,026	$4,406,014	$6,024,076	$0
Add: $5 million block	$0	$0	$0	$5,000,000	$5,000,000	$5,000,000	$5,000,000	$5,000,000	$5,000,000	$5,000,000	$5,000,000	$5,000,000	$5,000,000	
Excess availability	**$0**	**$0**	**$0**	**$15,000,000**	**$10,733,914**	**$9,828,115**	**$12,131,782**	**$10,735,779**	**$11,621,081**	**$10,717,709**	**$11,486,974**	**$10,593,986**	**$8,975,924**	**$20,000,000**
Total Liquidity	**$13,411,839**	**$14,623,015**	**$15,301,078**	**$20,698,253**	**$15,733,914**	**$14,828,115**	**$17,131,782**	**$15,735,779**	**$16,621,081**	**$15,717,709**	**$16,486,974**	**$15,593,986**	**$13,975,924**	**$31,883,122**
Total Pro Forma Liquidity (assuming full $20 million DIP is available)	$25,181,839	$26,393,015	$27,071,078	$25,698,253	$20,733,914	$19,828,115	$22,131,782	$20,735,779	$21,621,081	$20,717,709	$21,486,974	$20,593,986	$18,975,924	

Cumulative Operating Cash Receipts Cushion	$ 784,835	$ 1,757,448	$ 2,282,885	$ 2,967,024	$ 3,643,791	$ 4,879,921	$ 5,529,145	$ 6,353,866	$ 7,026,732	$ 8,285,802	$ 9,097,286	$ 9,898,893	
Cumulative Operating Disbursements Cushion	$ 404,700	$ 1,030,200	$ 1,599,707	$ 2,097,660	$ 2,738,855	$ 3,318,153	$ 4,012,221	$ 4,495,717	$ 5,085,882	$ 5,702,545	$ 6,442,856	$ 6,825,520	
Cumulative Financial Disbursements Cushion	$ 5,491,372	$ 5,491,372	$ 5,303,071	$ 267,932	$ 267,932	$ 267,932	$ 267,932	$ 267,932	$ -	$ -	$ -	$ -	
Cumulative Professional Fees Cushion	$ 6,000,000	$ 6,000,000	$ 6,000,000	$ 5,990,000	$ 5,990,000	$ 5,990,000	$ 5,990,000	$ 5,990,000	$ 5,980,000	$ 4,580,000	$ 4,580,000	$ 1,519,999	

Cumulative Operating Cash Receipts Budget	$ 3,924,176	$ 8,787,239	$ 11,414,426	$ 14,835,121	$ 18,218,955	$ 24,399,605	$ 27,645,726	$ 31,769,331	$ 35,133,658	$ 41,429,009	$ 45,486,429	$ 49,494,463	
Cumulative Operating Disbursements Budget	$ 2,698,000	$ 6,868,000	$ 10,664,712	$ 13,984,402	$ 18,259,034	$ 22,121,018	$ 26,748,141	$ 29,971,445	$ 33,905,880	$ 38,016,967	$ 42,952,374	$ 45,503,469	
Cumulative Financial Disbursements Budget	$ -	$ -	$ 188,301	$ 5,223,440	$ 5,223,440	$ 5,223,440	$ 5,223,440	$ 5,223,440	$ 5,491,372	$ 5,491,372	$ 5,491,372	$ 5,491,372	
Cumulative Professional Fees Budget	$ -	$ -	$ -	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 20,000	$ 1,420,000	$ 1,420,000	$ 4,480,001	

SECTION 8.1 FINANCIAL COVENANTS:														
MINIMUM CUMULATIVE OPERATING CASH RECEIPTS	80%	$ 3,139,341	$ 7,029,791	$ 9,131,541	$ 11,868,097	$ 14,575,164	$ 19,519,684	$ 22,116,581	$ 25,415,465	$ 28,106,926	$ 33,143,208	$ 36,389,143	$ 39,595,571
MAXIMUM CUMULATIVE OPERATING DISBURSEMENTS	115%	$ 3,102,700	$ 7,898,200	$ 12,264,419	$ 16,082,062	$ 20,997,889	$ 25,439,170	$ 30,760,362	$ 34,467,162	$ 38,991,762	$ 43,719,512	$ 49,395,230	$ 52,328,990
MAXIMUM CUMULATIVE FINANCIAL DISBURSEMENTS		$ 5,491,372	$ 5,491,372	$ 5,491,372	$ 5,491,372	$ 5,491,372	$ 5,491,372	$ 5,491,372	$ 5,491,372	$ 5,491,372	$ 5,491,372	$ 5,491,372	$ 5,491,372
MAXIMUM CUMULATIVE PROFESSIONAL FEE DISBURSEMENTS		$ 6,000,000	$ 6,000,000	$ 6,000,000	$ 6,000,000	$ 6,000,000	$ 6,000,000	$ 6,000,000	$ 6,000,000	$ 6,000,000	$ 6,000,000	$ 6,000,000	$ 6,000,000

SCHEDULE 8.2(d)
to
CREDIT AGREEMENT

EXISTING INDEBTEDNESS

Sea Gull Lighting Products LLC

2. Up to $25,884,767 under 130 Holding Capital Lease.

Locust East 140th Street L.P.

1. Indebtedness under the JPMorgan Loan Documents of approximately $ 4,133,333 as of the Closing Date.

MF Real Estate LLC

1. Guarantee Obligations under the JPMorgan Loan Documents of approximately $4,133,333 as of the Closing Date.

Approximately $239.3 million outstanding under the Prepetition First Lien Facility.

Approximately $101.2 million outstanding under the Prepetition Second Lien Facility.

Approximately $54.7 million of indebtedness under the Note Purchase Agreement, dated as of June 20, 2006, by and among QHB Holdings LLC and Apollo Investment Corporation, amended from time to time.

Indebtedness of Locust East 140th Street L.P. ("Locust East") pursuant to that certain interest rate Hedging Agreement, dated as of January 17, 2001, between JPMorgan Chase Bank and Locust East, together with all interest rate swap confirmations executed by the respective parties pursuant thereto (fluctuating amount, $380,000 due as of 11/25/09).

SCHEDULE 8.3(f)
to
CREDIT AGREEMENT

EXISTING LIENS

Debtor	Jurisdiction	Secured Party	Filing No.	Filing Date	Collateral
Tech Lighting L.L.C.	Delaware Secretary Of State	The Bank of New York Mellon, as Second Lien Collateral Agent (initially Bear Stearns Corporate Lending Inc.)	82857298 (initially 62185478)	08/21/08 (initially 06/26/06)	All assets of the debtor now owned or hereafter acquired.
Tech Lighting L.L.C.	Delaware Secretary Of State	BNP Paribas, as First Lien Collateral Agent (initially Bear Stearns Corporate Lending Inc.)	82649372 (initially 62185510)	08/01/08 (initially 06/26/06)	All assets of the debtor now owned or hereafter acquired.
Tech Lighting L.L.C.	Delaware Secretary Of State	Canon Financial Services, Inc.	63816642	11/01/06	All equipment now or hereafter leased, sold, or financed by Canon Financial Services, Inc. and all general intangibles and accounts receivable with respect to said equipment, and all replacements of, additions to, substitutes for and proceeds of the foregoing. Lease number 005-0308620-002.
Tech Lighting L.L.C.	Illinois Secretary Of State	Minolta Business Systems	4323296	1/11/2001	Equipment Lien
Tech Lighting L.L.C.	Illinois Secretary Of State	Minolta Business Solutions (FKA Minolta Business Systems, Inc.)	4474994	12/13/2001	Equipment Lien
Murray Feiss Import LLC	Delaware Secretary of State	IHFC Properties, LLC	51407320	05/06/05	All installations, samples, goods, furniture, fixtures and other property now in or which may be hereafter placed by the Debtor in any wing of the International Home Furnishings Center etc.
Murray Feiss Import LLC	Delaware Secretary of State	The Bank of New York Mellon, as Second Lien Collateral Agent (initially Bear Stearns Corporate Lending Inc.)	82857876 (initially 62185080)	08/21/08 (initially 06/26/06)	All assets of the debtor now owned or hereafter acquired.
Murray Feiss Import LLC	Delaware Secretary of State	BNP Paribas, as First Lien Collateral Agent (initially Bear Stearns Corporate Lending Inc.)	82649307 (initially 62185148)	08/01/08 (initially 06/26/06)	All assets of the debtor now owned or hereafter acquired.
Murray Feiss Import LLC	Delaware Secretary of State	CIT Communications Finance Corporation	91191607	04/15/09	
Locust East 140th Street L.P.	Delaware Secretary of State	JPMorgan Chase Bank , N.A. (initially JPMorgan Chase Bank)	63706462 (initially 20320220)	10/25/06 (initially 01/14/02)	All Right, Title and Interest of Debtor in all leases and other agreements affecting the Premises, all rents, proceeds, all machinery, equipment, fixtures, etc.
Locust East 140th Street L.P.	Delaware Secretary of State	JPMorgan Chase Bank , N.A. (initially JPMorgan Chase Bank)	71578458 (initially 21639552)	04/23/07 (initially 06/03/02)	All Right, Title and Interest of Debtor in all leases and other agreements affecting the Premises, all rents, proceeds, all machinery, equipment, fixtures, etc.
Locust East 140th Street L.P.	Delaware Secretary of State	JPMorgan Chase Bank , N.A. (initially JPMorgan Chase Bank)	73987129 (initially 22432197)	10/23/07 (initially 09/23/02)	All Right, Title and Interest of Debtor in all leases and other agreements affecting the Premises, all rents, proceeds, all machinery, equipment, fixtures, etc.

Debtor	Jurisdiction	Secured Party	Filing No.	Filing Date	Collateral
Locust East 140th Street L.P.	Delaware Secretary of State	JPMorgan Chase Bank , National Association (initially JPMorgan Chase Bank)	53605293 (initially 52822725)	11/21/05 (initially 09/07/05)	In-lieu filing –continuation for original file number 034081
Locust East 140th Street L.P.	New York Dept. of State	JPMorgan Chase Bank , N.A. (initially JPMorgan Chase Bank)	200710236027211 (initially 218087)	10/23/07 (initially 09/24/02)	All right, title and interest of Debtor in all leases, subleases, rents and proceeds, fixtures, machinery, equipment etc.
Locust East 140th Street L.P.	New York Bronx County	JPMorgan Chase Bank , N.A. (initially JPMorgan Chase Bank)	200710260087600 1 (initially 02PX02991)	10/31/07 (initially 10/08/02)	All right, title and interest of Debtor in all leases, subleases, rents and proceeds, fixtures, machinery, equipment etc.
Locust East 140th Street L.P.	New York Bronx County	The Chase Manhattan Bank (initially Chase Manhattan Bank)	200602060094300 1 (initially 01PX03440)	02/09/06 (initially 06/27/01)	All right, title and interest of Debtor in all leases, subleases, rents and proceeds, fixtures, machinery, equipment etc.
MF Real Estate LLC	New York Dept. of State	JPMorgan Chase Bank	200412301349778	12/30/04	All Right, Title and Interest of Debtor, to all leases and other agreements affecting the use or occupancy of the Premises, all rents, proceeds, machinery, fixtures, etc.
MF Real Estate LLC	New York Bronx County	JPMorgan Chase Bank	2004000362759	06/21/04	All Right, Title and Interest of Debtor, to all leases and other agreements affecting the use or occupancy of the Premises, all rents, proceeds, machinery, fixtures, etc.
MF Real Estate LLC	New York Bronx County	JPMorgan Chase Bank	2005000015729	01/07/05	All Right, Title and Interest of Debtor, to all leases and other agreements affecting the use or occupancy of the Premises, all rents, proceeds, machinery, fixtures, etc.
Light Process Company, L.P.	Texas Secretary of State	The Bank of New York Mellon, as Second Lien Collateral Agent (initially Bear Stearns Corporate Lending Inc.)	08-00329258 (initially 06-002160859	10/07/08 (initially 06/26/06)	All assets of the debtor now owned or hereafter acquired.
Light Process Company, L.P.	Texas Secretary of State	BNP Paribas, as First Lien Collateral Agent (initially Bear Stearns Corporate Lending Inc.)	08-00257297 (initially 06-0021608760)	08/01/08 (initially 06/26/11)	All assets of the debtor now owned or hereafter acquired.
Light Process Company, L.P.	Texas Secretary of State	Global Services	07-0041446662	12/07/07	Various kyocera copier and printer systems, including all products, proceeds and attachments
LPC Management, L.L.C.	Texas Secretary of State	The Bank of New York Mellon, as Second Lien Collateral Agent (initially Bear Stearns Corporate Lending Inc.)	08-00280458 (initially 06-0021608871)	08/21/08 (initially 06/26/06)	All assets of the debtor now owned or hereafter acquired.
LPC Management, L.L.C.	Texas Secretary of State	BNP Paribas, as First Lien Collateral Agent (initially Bear Stearns Corporate Lending Inc.)	08-00257296 (initially 06-0021608982)	08/01/08 (initially 06/26/06)	All assets of the debtor now owned or hereafter acquired.
Generation Brands LLC	Delaware Secretary of State	BNP Paribas, as First Lien Collateral Agent (initially Bear Stearns Corporate Lending Inc.)	83102710 (initially 70228097)	09/12/08 (initially 01/18/07)	All assets of the debtor now owned or hereafter acquired.
Generation Brands LLC	Delaware Secretary of State	The Bank of New York Mellon, as Second Lien Collateral Agent (initially Bear Stearns Corporate Lending Inc.)	83386651 (initially 70228162)	10/07/08 (initially 01/18/07)	All assets of the debtor now owned or hereafter acquired.
LBL Lighting LLC	Delaware Secretary of State	BNP Paribas, as First Lien Collateral Agent (initially Bear Stearns Corporate Lending Inc.)	83102744 (initially 70228279)	09/12/08 (initially 01/18/07)	All assets of the debtor now owned or hereafter acquired.

Debtor	Jurisdiction	Secured Party	Filing No.	Filing Date	Collateral
LBL Lighting LLC	Delaware Secretary of State	The Bank of New York Mellon, as Second Lien Collateral Agent (initially Bear Stearns Corporate Lending Inc.)	83385398 (initially 70228337)	110/07/08 (initially 01/18/07)	All assets of the debtor now owned or hereafter acquired.
Locust GP LLC	Delaware Secretary of State	The Bank of New York Mellon, as Second Lien Collateral Agent (initially Bear Stearns Corporate Lending Inc.)	82857918 (initially 62184968)	08/21/08 (initially 06/26/06)	All assets of the debtor now owned or hereafter acquired.
Locust GP LLC	Delaware Secretary of State	BNP Paribas, as First Lien Collateral Agent (initially Bear Stearns Corporate Lending Inc.)	82649273 (initially 62184992)	08/01/08 (initially 06/26/06)	All assets of the debtor now owned or hereafter acquired.
QHB Holdings LLC	Delaware Secretary of State	The Bank of New York Mellon, as Second Lien Collateral Agent (initially Bear Stearns Corporate Lending Inc.)	83385042 (initially 62182178)	10/07/08 (initially 06/26/06)	All assets of the debtor now owned or hereafter acquired.
QHB Holdings LLC	Delaware Secretary of State	BNP Paribas, as First Lien Collateral Agent (initially Bear Stearns Corporate Lending Inc.)	82649315 (initially 62184760)	08/01/08 (initially 06/26/06)	All assets of the debtor now owned or hereafter acquired.
Quality Home Brands Holdings LLC	Delaware Secretary of State	The Bank of New York Mellon, as Second Lien Collateral Agent (initially Bear Stearns Corporate Lending Inc.)	83385166 (initially 62185932)	10/07/08 (initially 06/26/06)	All assets of the debtor now owned or hereafter acquired.
Quality Home Brands Holdings LLC	Delaware Secretary of State	BNP Paribas, as First Lien Collateral Agent (initially Bear Stearns Corporate Lending Inc.)	82649331 (initially 62185981)	08/01/08 (initially 06/26/06)	All assets of the debtor now owned or hereafter acquired.
Quality Home Brands Holdings LLC	Delaware Secretary of State	Canon Financial Services, Inc.	91889218	06/12/09	All equipment now or hereafter leased, sold, or financed by Canon Financial Services, Inc. and all general intangibles and accounts receivable with respect to said equipment, and all replacements of, additions to, substitutes for and proceeds of the foregoing. Lease number 001-0555340-001.
Sea Gull Lighting Products LLC	Delaware Secretary of State	The Bank of New York Mellon, as Second Lien Collateral Agent (initially Bear Stearns Corporate Lending Inc.)n	82857637 (initially 62184836)	08/21/08 (initially 06/26/06)	All assets of the debtor now owned or hereafter acquired.
Sea Gull Lighting Products LLC	Delaware Secretary of State	BNP Paribas, as First Lien Collateral Agent (initially Bear Stearns Corporate Lending Inc.)	82649349 (initially 62184919)	08/01/08 (initially 06/26/06)	All assets of the debtor now owned or hereafter acquired.

Debtor	Jurisdiction	Secured Party	Filing No.	Filing Date	Collateral
Sea Gull Lighting Products LLC	Delaware Secretary of State	CIT Communications Finance Corporation	91191441	04/15/09	Finance Lease Equipment now or hereafter acquired, which is sold to Debtor by Secured Party pursuant to Lease number X535422, including, but not limited to S8300 MEDIA SERVER/ S8500 MEDIA SERVER/ G350, MEDIA SERVER, software, support, substitutions, products, replacements, and rentals and a right to use license for any software related to any of the foregoing, and proceeds therefrom (including insurance proceeds) as well as any credits or refunds Lessee may obtain from the Seller, provider or licensor of any of the foregoing. Equipment location, includes, but is not limited to: 301 W. Washington Street, Riverside, NJ 08075; 125 Rose Feiss Blvd, Bronx, NY 10453; 3030 East Lone Mountain Rd, Ste 1500, North Las Vegas, NV 89081.
Tech L Enterprises, Inc.	Delaware Secretary of State	The Bank of New York Mellon, as Second Lien Collateral Agent (initially Bear Stearns Corporate Lending Inc.)	82857561 (initially 62185767)	08/21/08 (initially 06/26/06)	All assets of the debtor now owned or hereafter acquired.
Tech L Enterprises, Inc.	Delaware Secretary of State	BNP Paribas, as First Lien Collateral Agent (initially Bear Stearns Corporate Lending Inc.)	82649356 (initially 62185841)	08/01/08 (initially 06/26/06)	All assets of the debtor now owned or hereafter acquired.
Tech L Holdings, Inc.	Delaware Secretary of State	The Bank of New York Mellon, as Second Lien Collateral Agent (initially Bear Stearns Corporate Lending Inc.)	82857512 (initially 62180545)	08/21/08 (initially 06/26/06)	All assets of the debtor now owned or hereafter acquired.
Tech L Holdings, Inc.	Delaware Secretary of State	BNP Paribas, as First Lien Collateral Agent (initially Bear Stearns Corporate Lending Inc.)	82649364 (initially 62182012)	08/01/08 (initially 06/26/06)	All assets of the debtor now owned or hereafter acquired.
Woodco LLC	Pennsylvania Secretary of State	BNP Paribas, as First Lien Collateral Agent (initially Bear Stearns Corporate Lending Inc.)	2008080106743 (initially 2006063002267)	08/01/08 (initially 06/26/06)	All assets of the debtor now owned or hereafter acquired.
Woodco LLC	Pennsylvania Secretary of State	The Bank of New York Mellon, as Second Lien Collateral Agent (initially Bear Stearns Corporate Lending Inc.)	2008082106430 (initially 2006063002318)	08/21/08 (initially 06/26/06)	All assets of the debtor now owned or hereafter acquired.

EXHIBIT A

FORM OF LENDER ADDENDUM

Reference is made to the Superpriority Secured Debtor-In-Possession Credit Agreement, dated as of December 4, 2009 (the "Credit Agreement") among Quality Home Brands Holdings LLC, a Delaware limited liability company, as a debtor and debtor in possession (the "Borrower"), QHB Holdings LLC, a Delaware limited liability company, as a debtor and debtor in possession ("Holdings"), the several banks and other financial institutions or entities from time to time parties thereto and BNP Paribas, as administrative agent and collateral agent. Capitalized terms used herein that are not defined herein shall have the meanings ascribed to them in the Credit Agreement.

Upon execution and delivery of this Lender Addendum by the undersigned as provided in Section 6.1(a) or Section 11.17 of the Credit Agreement, the undersigned (i) hereby becomes a Lender thereunder having the Commitments set forth in Schedule 1 hereto and (ii) agrees to all of the provisions of the Credit Agreement, effective as of December __, 2009.

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.

IN WITNESS WHEREOF, the undersigned has caused this Lender Addendum to be duly executed and delivered by its proper and duly authorized officers as of this ___ day of _____, 2009.

[NAME OF LENDER]

By:
_____
Name:
Title:

Schedule 1

COMMITMENTS AND NOTICE ADDRESS

1. Name of Lender: _____

Notice Address: _____

_____

_____

Attention: _____

Telephone: _____

Facsimile: _____

2. Revolving Commitment: $_____

EXHIBIT B

FORM OF
ASSIGNMENT AND ASSUMPTION

Reference is made to the Superpriority Secured Debtor-In-Possession Credit Agreement, dated as of December 4, 2009 (as amended, modified, supplemented, restated, replaced or refinanced from time to time, the "Credit Agreement"), among Quality Home Brands Holdings LLC, a Delaware limited liability company, as a debtor and debtor in possession (the "Borrower"), QHB Holdings LLC, a Delaware limited liability company, as a debtor and debtor in possession ("Holdings"), the several banks and other financial institutions or entities from time to time parties thereto and BNP Paribas, as administrative agent and collateral 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.

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

2. 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 and the other Loan Documents 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.

3. 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 it is the legal and beneficial owner of the Assigned Interest and that it 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; (b) makes no representation or warranty and assumes no responsibility with respect to the financial condition of Holdings, the Borrower, any of their respective Subsidiaries or any other obligor or the performance or observance by Holdings, the Borrower, any of their respective Subsidiaries 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; and (c) attaches any Notes held by it evidencing the Assigned Facilities and (i) requests that the Administrative Agent, upon request by the Assignee, exchange the attached Notes, if any, for a new Note or Notes payable to the Assignee and (ii) if the Assignor has retained any interest in the Assigned Facility, requests that the

Administrative Agent exchange the attached Notes, if any, for a new Note or Notes payable to the Assignor, in each case in amounts which reflect the assignment being made hereby (and after giving effect to any other assignments which have become effective on the Effective Date).

4. The Assignee (a) represents and warrants that it is legally authorized to enter into this Assignment and Assumption; (b) confirms that it has received a copy of the Credit Agreement, together with copies of the financial statements referred to in Sections 5.1 and 7.1 thereof and such other documents and information as it has 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 Agents or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement, the other Loan Documents or any other instrument or document furnished pursuant hereto or thereto; (d) appoints and authorizes the Agents 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 Agents 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 subsection 4.10(d) of the Credit Agreement.

5. 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 Section 11.6(b)(ii)(B) of 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).

6. 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.

7. 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.

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.

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 below.

Consented To:
[QUALITY HOME BRANDS HOLDINGS LLC

By:_____
Name:
Title:]

[BNP PARIBAS, as Administrative Agent

By:_____
Name:
Title:

By:_____
Name:
Title:]

[[ISSUING LENDER]

By:_____
Name:
Title:]

[[SWINGLINE LENDER]

By:_____
Name:
Title:]

ASSIGNOR:

[NAME OF ASSIGNOR]

By:_____
Name:
Title:

ASSIGNEE:

[NAME OF ASSIGNEE]

By:_____
Name:
Title:

Schedule 1

to Assignment and Assumption

Name of Assignor: _____

Name of Assignee: _____

Effective Date of Assignment: _____

Credit Facility Assigned	Principal Amount Assigned	Commitment Percentage Assigned[1]
	$_____	___._____%

[1] Calculates the Commitment percentage that is assigned to at least 15 decimal places and show as a percentage of the aggregate commitments of all Lenders.

EXHIBIT C

FORM OF COMPLIANCE CERTIFICATE

This Compliance Certificate is delivered to you pursuant to Section 7.2(b) of the Superpriority Secured Debtor-In-Possession Credit Agreement, dated as of _____, 2009 (as amended, modified, supplemented, restated, replaced or refinanced from time to time, the "Credit Agreement"), among Quality Home Brands Holdings LLC, a Delaware limited liability company, as a debtor and debtor in possession (the "Borrower"), QHB Holdings LLC, a Delaware limited liability company, as a debtor and debtor in possession ("Holdings"), the several banks and other financial institutions or entities from time to time parties thereto and BNP Paribas, as administrative agent and collateral agent. Terms defined in the Credit Agreement and not otherwise defined herein are used herein with the meanings so defined. The undersigned, in his capacity as an officer of the Borrower, and not in his individual capacity, certifies as follows:

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 Compliance Certificate.

3. I have reviewed the terms of the Credit Agreement and the other 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 Compliance 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 Sections 8.1 of the Credit Agreement.

IN WITNESS WHEREOF, I execute this Certificate on behalf of the Borrower this __ day of _____, 20__.

QUALITY HOME BRANDS HOLDINGS LLC

By: _____

Name:
Title: Chief Financial Officer

Attachment 1 to
Compliance Certificate

[FINANCIAL STATEMENTS]

Attachment 2 to
Compliance Certificate

The information described herein is as of _____, 20__ (the "Reporting Date"),

1.	Total Liquidity:	$_____
	Less than $12,500,000:	[YES][NO]
	Less than $8,000,000:	[YES][NO]
2.	Cumulative Operating Cash Receipts measured from the Closing Date through the Reporting Date:	$_____
	Less than 80% of the minimum cumulative Operating Cash Receipts as reflected in the Approved Budget:	[YES][NO]
3.	Cumulative Operating Disbursements measured from the Closing Date through the Reporting Date:	$_____
	Greater than 115% of the maximum cumulative Operating Disbursements as reflected in the Approved Budget:	[YES][NO]
4.	Cumulative Financial Disbursements measured from the Closing Date through the Reporting Date:	$_____
	Greater than the maximum cumulative Financial Disbursements as reflected in the Approved Budget:	[YES][NO]
5.	Cumulative Professional Fee Disbursements measured from the Closing Date through the Reporting Date:	$_____
	Greater than $6,000,000	[YES][NO]

EXHIBIT D-1

FORM OF COLLATERAL AGREEMENT

COLLATERAL AGREEMENT

made by

QHB HOLDINGS LLC,

QUALITY HOME BRANDS HOLDINGS LLC

and certain of its Subsidiaries

in favor of

BNP PARIBAS,
as Collateral Agent

and

BNP PARIBAS,
as Administrative Agent

Dated as of December [__], 2009

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SCHEDULES

ANNEXES

COLLATERAL AGREEMENT, dated as of December [__], 2009, made by Quality Home Brands Holdings LLC, a Delaware limited liability company (the "Borrower"), QHB Holdings LLC, a Delaware limited liability company ("Holdings") and each of the other signatories hereto (together with any other entity that may become a party hereto as provided herein the "Subsidiary Guarantors" and together with the Borrower and Holdings, the "Grantors"), in favor of BNP Paribas, as collateral agent (in such capacity, together with its successors and assigns, the "Collateral Agent") and administrative agent (in such capacity, together with its successors and assigns, the "Administrative Agent") for the banks, financial institutions and other entities (the "Lenders") from time to time party as Lenders to the Superpriority Secured Debtor-In-Possession Credit Agreement, dated as of December 4, 2009 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among Holdings, the Borrower, the Lenders and the Administrative Agent.

RECITALS

A. Pursuant to the Credit Agreement, the Lenders have severally agreed to make extensions of credit to the Borrower upon the terms and subject to the conditions set forth therein;

B. The proceeds of the extensions of credit under the Credit Agreement will be used in part to enable the Borrower to make valuable transfers to one or more of the other Grantors in connection with the operation of their respective businesses;

D. The Borrower and the other Grantors are engaged in related businesses, and each Grantor will derive substantial direct and indirect benefit from the making of the extensions of credit under the Credit Agreement and the providing of financial accommodation under the Specified Cash Management Agreements; and

E. It is a condition precedent to the obligation of the Lenders to make their respective extensions of credit to the Borrower under the Credit Agreement and of the Qualified Counterparties to provide financial accommodation under the Specified Cash Management Agreements that the Grantors shall have executed and delivered this Agreement to the Collateral Agent for the benefit of the Secured Parties.

NOW, THEREFORE, in consideration of the premises and to induce the Agents and the Lenders to enter into the Credit Agreement and to induce the Lenders to make their respective extensions of credit to the Borrower thereunder and to induce the Qualified Counterparties to enter into the Specified Cash Management Agreements and provide financial accommodation, each Grantor hereby agrees with the Collateral Agent, for the benefit of the Secured Parties, as follows:

SECTION 1. DEFINED TERMS

1.1. Definitions.

(a) Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement, and the following terms are used herein as defined in the New York UCC (and if defined in more than one Article of the New York UCC, shall have the meaning given in Article 8 or 9 thereof): Accounts, Certificated Security, Chattel Paper, Commercial Tort Claims, Commodity Accounts, Deposit Accounts, Documents, Electronic Chattel Paper, Equipment, Farm Products, Fixtures, General Intangibles, Goods, Instruments, Inventory, Letter-of-Credit Rights, Money, Negotiable Documents, Securities Accounts, Securities Entitlements, Supporting Obligations, Tangible Chattel Paper and Uncertificated Security.

(b) The following terms shall have the following meanings:

"Agreement": this Collateral Agreement.

"Borrower Credit Agreement Obligations": the unpaid principal of and interest on the Loans and Reimbursement Obligations under the Credit Agreement and all other obligations and liabilities of the Borrower to any Agent, Lender, Qualified Counterparty or Indemnitee, 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, the Credit Agreement, this Agreement or the other Loan Documents, any Letter of Credit or any other document made, delivered or given in connection therewith or pursuant thereto, in each case whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including, without limitation, attorney's fees and legal expenses) or otherwise (including interest accruing at the then applicable rate provided in the Credit Agreement after the maturity of the Loans and Reimbursement Obligations and interest accruing at the then applicable rate provided in the Credit Agreement after the commencement of any bankruptcy case or insolvency, reorganization, liquidation or like proceeding relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding and all expense reimbursement and indemnity obligations arising or incurred as provided in the Loan Documents after the commencement of any such case or proceeding, whether or not a claim for such obligations is allowed in such case or proceeding).

"Borrower Obligations": the collective reference to (i) the Borrower Credit Agreement Obligations and all other obligations and liabilities of the Borrower, 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 (including, without limitation, all fees and disbursements of counsel to the Secured Parties that are required to be paid by the Borrower pursuant to the terms of this Agreement.

"Collateral": as defined in Section 3.

"Collateral Account": any collateral account established by the Collateral Agent as provided in Sections 6.1 or 6.4.

"Copyright Licenses": with respect to any Grantor, all agreements (whether or not in writing) naming such Grantor as licensor or licensee (including those agreements listed in Schedule 6), granting any right under any Copyright, including the grant of rights to print, publish, copy, distribute, exploit and sell materials derived from any Copyright, subject in each case, to the terms of such agreements, and the right to prepare for sale, sell and advertise for sale, all Inventory now or hereafter covered by such agreements.

"Copyrights": (i) all United States and foreign copyrights, whether or not the underlying works of authorship have been published, and all copyright registrations and copyright applications, and any renewals or extensions thereof, including each registration identified on Schedule 6, (ii) the right to sue or otherwise recover for any and all past, present and future infringements thereof, (iii) all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all licenses entered into in connection therewith, and damages and payments for past, present or future infringements thereof), and (iv) all other rights of any kind whatsoever accruing thereunder or pertaining thereto.

"Excluded Perfection Assets": (i) any Vehicle individually having a value less than $100,000 individually or $1,000,000 in the aggregate for all Vehicles, (ii) any foreign Intellectual Property, (iii) Goods included in Collateral received by any Person for "sale or return within the meaning

of Section 2-326 of the Uniform Commercial Code of the applicable jurisdiction, to the extent of claims of creditors of such Person, (iv) Money (other than the proceeds of other Collateral in which the Collateral Agent has a perfected security interest under Section 9-315 of the New York UCC) which has not been transferred to or deposited in the Collateral Account (if any) or any Deposit Account, Securities Account or Commodities Account in which the Collateral Agent has a perfected security interest, (v) other than any foreign Intellectual Property and any Pledged Stock, any Collateral the aggregate value of which shall not exceed at any time $100,000 and for which the perfection of Liens thereon requires filings in or other actions under the laws of jurisdictions outside the United States, (vi) any Deposit Account of a Grantor containing less than $15,000 individually and less than $100,000 in the aggregate for all Grantors, and (vii) Capital Stock of Locust East 140th Street L.P. and MF Real Estate LLC.

"Foreign Subsidiary Voting Stock": the voting Capital Stock of any Foreign Subsidiary.

"Guarantors": Holdings and each of the Subsidiary Guarantors.

"Guarantor Obligations": with respect to any Guarantor, all obligations and liabilities of such Guarantor which may arise under or in connection with this Agreement, the Credit Agreement or any other Loan Document to which such Guarantor is a party, in each case whether on account of guarantee obligations, reimbursement obligations, fees, indemnities, costs, expenses or otherwise (including all expense reimbursement and indemnity obligations arising or incurred as provided in the Loan Documents after the commencement of any bankruptcy case or insolvency, reorganization, liquidation or like proceeding, whether or not a claim for such obligations is allowed in such case or proceeding).

"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 all Copyrights, Copyright Licenses, Patents, Patent Licenses, Trademarks, Trademark Licenses, Trade Secrets, and Trade Secret Licenses, technology, know-how and processes, and all rights to sue at law or in equity for any past, present and future infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

"Intercompany Note": any promissory note evidencing loans or other monetary obligations owing to any Grantor by any Group Member.

"Investment Property": the collective reference to (i) all "investment property" as such term is defined in Section 9-102(a)(49) of the New York UCC (other than any Foreign Subsidiary Voting Stock excluded from the definition of "Pledged Stock") and (ii) whether or not constituting "investment property" as so defined, all Pledged Notes and all Pledged Equity Interests.

"Issuers": the collective reference to each issuer of any Investment Property purported to be pledged hereunder.

"Material Contracts": the contracts and agreements listed in Schedule 7, and all contracts entered into in the future, the termination of which would cause a Material Adverse Effect, as the same may be amended, supplemented, replaced or otherwise modified from time to time, including, without limitation, (i) all rights of any Grantor to receive moneys due and to become due to it thereunder or in connection therewith, (ii) all rights of any Grantor to receive proceeds of any insurance, indemnity, warranty or guaranty with respect thereto, (iii) all rights of any Grantor to damages arising thereunder and (iv) all rights of any Grantor to terminate, and to perform and compel performance of, such Material Contracts and to exercise all remedies thereunder.

"New York UCC": the Uniform Commercial Code as from time to time in effect in the State of New York.

"Obligations": the Borrower Obligations and the Guarantor Obligations.

"Ordinary Course Transferees": (i) with respect to Goods only, buyers in the ordinary course of business and lessees in the ordinary course of business to the extent provided in Section 9-320(a) and 9-321 of the Uniform Commercial Code as in effect from time to time in the relevant jurisdiction and (ii) with respect to General Intangibles only, licensees in the ordinary course of business to the extent provided in Section 9-321 of the Uniform Commercial Code as in effect from time to time in the relevant jurisdiction.

"Organizational Documents": as to any Person, its certificate or articles of incorporation and by-laws if a corporation, or its certificate of formation and its partnership agreement if a partnership, its limited liability company agreement if a limited liability company, or other organizational or governing documents of such person.

"Patent License": with respect to any Grantor, all agreements (whether or not in writing) providing for the grant by or to such Grantor of any right to manufacture, use, import, export, distribute, offer for sale or sell any invention covered in whole or in part by a Patent (including those agreements listed on Schedule 6), subject in each case, to the terms of such agreements, and the right to prepare for sale, sell and advertise for sale, all Inventory now or hereafter covered by such agreements.

"Patents": (i) all United States and foreign patents, patent applications and patentable inventions, including, without limitation, each issued patent and patent application identified on Schedule 6, (ii) all inventions and improvements described and claimed therein, (iii) the right to sue or otherwise recover for any and all past, present and future infringements thereof, (iv) all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including payments under all licenses entered into in connection therewith, and damages and payments for past, present or future infringements thereof), and (v) all reissues, divisions, continuations, continuations-in-part, substitutes, renewals, and extensions thereof, all improvements thereon and all other rights of any kind whatsoever accruing thereunder or pertaining thereto.

"Pledged Alternative Equity Interests": all participation or other interests in any equity or profits of any business entity and the certificates, if any, representing such interests all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such interests and any other warrant, right or option to acquire any of the foregoing; provided, however, that Pledged Alternative Equity Interests shall not include any Pledged Notes, Pledged Stock, Pledged Partnership Interests, and Pledged LLC Interests.

"Pledged Equity Interests": all Pledged Stock, Pledged LLC Interests, Pledged Partnership Interests and Pledged Alternative Equity Interests.

"Pledged LLC Interests": all interests owned, directly or indirectly, by any Grantor in any limited liability company (including those listed on Schedule 2) other than MF Real Estate LLC and the certificates, if any, representing such limited liability company interests so long as any Indebtedness remains outstanding under the JPMorgan Loan Documents and any interest of any Grantor on the books and records of such limited liability company or on the books and records of any securities intermediary pertaining to such interest and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed

in respect of or in exchange for any or all of such limited liability company interests and any other warrant, right or option to acquire any of the foregoing.

"Pledged Notes": all promissory notes at any time issued to or owned, held or acquired by any Grantor including, without limitation, all Intercompany Notes at any time issued to any Grantor (including those listed on Schedule 2).

"Pledged Partnership Interests": all interests owned, directly or indirectly, by any Grantor in any general partnership, limited partnership, limited liability partnership or other partnership (including those listed on Schedule 2) other than Locust East 140th Street L.P. and the certificates, if any, representing such partnership interests so long as any Indebtedness remains outstanding under the JPMorgan Loan Documents and any interest of the Borrower on the books and records of such partnership or on the books and records of any securities intermediary pertaining to such interest and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such partnership interests and any other warrant, right or option to acquire any of the foregoing.

"Pledged Stock": all shares, stock certificates, options, interests or rights of any nature whatsoever in respect of the Capital Stock of any Person (including those listed on Schedule 2) at any time issued or granted to or owned, held or acquired by any Grantor, and the certificates, if any, representing such shares and any interest of such Grantor in the entries on the books of the issuer of such shares or on the books of any securities intermediary pertaining to such shares, and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such shares and any other warrant, right or option to acquire any of the foregoing; provided that in no event shall more than 65% of the total outstanding Foreign Subsidiary Voting Stock of any Foreign Subsidiary be subject to the security interests granted hereby.

"Proceeds": all "proceeds" as such term is defined in Section 9-102(a)(64) of the New York UCC, including, in any event, all dividends, returns of capital and other distributions from Investment Property and all collections thereon and payments with respect thereto.

"Receivable": any right to payment for goods sold or leased or for services rendered, whether or not such right is evidenced by an Instrument or Chattel Paper and whether or not it has been earned by performance (including all Accounts).

"Secured Parties": the Collateral Agent, the Administrative Agent, the Term Lenders, the Revolving Lenders, the Issuing Lender, the Swingline Lender and Indemnitees and, with respect to any Specified Cash Management Agreement, any Qualified Counterparty party thereto and each of their respective successors and transferees.

"Securities Act": the Securities Act of 1933, as amended.

"Trade Secret License": with respect to any Grantor, any agreement, whether written or oral, providing for the grant by or to such Grantor of any right to use any Trade Secret, including any of the foregoing agreements referred to in Schedule 6, subject in each case, to the terms of such agreements, and the right to prepare for sale, sell and advertise for sale, all Inventory now or hereafter covered by such agreements.

"Trade Secrets": (i) all trade secrets and all confidential information, (ii) the right to sue or otherwise recover for any and all past, present and future misappropriations thereof, (iii) all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including payments under all licenses entered into in connection therewith, and damages and payments for past, present or future misappropriations thereof), and (iv) all other rights of any kind whatsoever accruing thereunder or pertaining thereto.

"Trademark License": with respect to any Grantor, any agreement (whether or not in writing) providing for the grant by or to such Grantor of any right to use any Trademark (including those agreements listed on Schedule 6), subject in each case, to the terms of such agreements, and the right to prepare for sale, sell and advertise for sale, all Inventory now or hereafter covered by such agreements.

"Trademarks": (i) all United States, state and foreign trademarks, service marks, trade names, domain names, corporate names, company names, business names, trade dress, trade styles, logos, or other indicia of origin or source identification, and all registrations of and applications to register the foregoing and any new renewals thereof, including each registration and application identified in Schedule 6, (ii) the right to sue or otherwise recover for any and all past, present and future infringements and dilutions thereof, (iii) all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including payments under all licenses entered into in connection therewith, and damages and payments for past, present or future infringements and dilutions thereof), and (iv) all other rights of any kind whatsoever accruing thereunder or pertaining thereto, together in each case with the goodwill of the business connected with the use of, and symbolized by, each of the above.

"UETA": the Uniform Electronic Transaction Act, as in effect in the applicable jurisdiction.

"Vehicles": all cars, trucks, trailers, construction and earth moving equipment and other vehicles, vessels and aircrafts covered by a certificate of title law of any jurisdiction and all appurtenances thereto.

"Wachovia Account": account number 2000650702510 established by Seagull Lighting Products LLC (f/k/a Seagull Lighting Products, Inc.), at Wachovia Bank, National Association.

1.2. Other Definitional Provisions.

(a) As used herein and in any certificate or other document made or delivered pursuant hereto, (i) accounting terms relating to any Group Member not defined in Section 1.1 and accounting terms partly defined in Section 1.1, to the extent not defined, shall have the respective meanings given to them under GAAP, (ii) the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation", (iii) the word "incur" shall be construed to mean incur, create, issue, assume, become liable in respect of or suffer to exist (and the words "incurred" and "incurrence" shall have correlative meanings), and (iv) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties of every type and nature, and (v) 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 (subject to any applicable restrictions hereunder).

(b) The words "hereof," "herein", "hereto" 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 Section and Schedule references are to this Agreement unless otherwise specified.

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

(d) Where the context requires, terms relating to the Collateral or any part thereof, when used in relation to a Grantor, shall refer to such Grantor's Collateral or the relevant part thereof.

(e) The expressions "payment in full," "paid in full" and any other similar terms or phrases when used herein with respect to any Obligation shall mean the payment in full of such Obligation in cash in immediately available funds.

SECTION 2. INTENTIONALLY OMITTED

SECTION 3. GRANT OF SECURITY INTEREST

Each Grantor hereby grants to the Collateral Agent, for the benefit of the Secured Parties, a security interest in all of such Grantor's right, title or interest in all of the following property now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time in the future may acquire any right, title or interest (collectively, the "Collateral"), as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of all Obligations:

(a) all Accounts;

(b) all Chattel Paper;

(c) all Deposit Accounts;

(d) all Documents;

(e) all Equipment (whether or not constituting Fixtures);

(f) all General Intangibles;

(g) all Instruments;

(h) all Intellectual Property, to the extent of each Grantor's right, title or interest therein (except for "intent-to-use" applications for trademark or service mark registrations filed pursuant to Section 1(b) of the Lanham Act, 15 U.S.C. § 1051, unless and until an Amendment to Allege Use or a Statement of Use under Sections 1(c) and 1(d) of said Act has been filed);

(i) all Inventory;

(j) all Investment Property;

(k) all Letter-of-Credit Rights;

(l) all Money;

(m) all Vehicles and certificates of title with respect to Vehicles;

(n) all Commercial Tort Claims described in Schedule 9 hereto (as such schedule may be supplemented from time to time);

(o) all Capital Stock, Goods, insurance and other personal property not otherwise described above;

(p) all Supporting Obligations and products of any and all of the foregoing and all Guarantee Obligations, Liens and claims supporting, securing or in any respect relating to any of the foregoing;

(q) all books and records (regardless of medium) pertaining to any of the foregoing; and

(r) all Proceeds of any of the foregoing;

provided, that (i) this Agreement shall not constitute a grant of a security interest in any property to the extent that and for as long as such grant of a security interest (A) is prohibited by any Requirement of Law, (B) requires a filing with or consent from any Governmental Authority pursuant to any Requirement of Law that has not been made or obtained, (C) constitutes a breach or default under or results in the termination of, or requires any consent not obtained under, any lease, license or agreement, except to the extent that such Requirement of Law or provisions of any such lease, license or agreement is ineffective under applicable law or would be ineffective under Sections 9-406, 9-407, 9-408 or 9-409 of the New York UCC to prevent the attachment of the security interest granted hereunder or (D) is in Capital Stock which is specifically excluded from the definition of Pledged Stock by virtue of the proviso to such definition; (ii) the security interest granted hereby (x) shall attach at all times to all proceeds of such property, (y) shall attach to such property immediately and automatically (without need for any further grant or act) at such time as the condition described in clause (i) ceases to exist and (z) to the extent severable shall in any event attach to all rights in respect of such property that are not subject to the applicable condition described in clause (i) and (iii) this Agreement shall not constitute a grant of a security interest in the Capital Stock of MF Real Estate LLC or Locust East 140th Street L.P. so long as such Capital Stock secures obligations under the JPMorgan Loan Documents.

SECTION 4. REPRESENTATIONS AND WARRANTIES

Each Grantor hereby represents and warrants to each Secured Party that:

4.1. Representations in Credit Agreement. In the case of each Guarantor, the representations and warranties set forth in Section 5 of the Credit Agreement as they relate to such Guarantor or to the Loan Documents to which such Guarantor is a party, each of which is hereby incorporated herein by reference, are true and correct in all material respects, and each Secured Party shall be entitled to rely on each of them as if they were fully set forth herein; provided that each reference in each such representation and warranty to the Borrower's knowledge shall, for the purposes of this Section 4.1, be deemed to be a reference to such Subsidiary Guarantor's knowledge.

4.2. Title; No Other Liens. Except for the security interest granted to the Collateral Agent for the benefit of the Secured Parties pursuant to this Agreement and the other Liens permitted to exist on such Grantor's Collateral by the Credit Agreement, such Grantor owns each item of Collateral granted by it free and clear of any and all Liens. No financing statement or other public notice with respect to all or any part of the Collateral is on file or of record in any public office, except such as have

been filed in favor of the Collateral Agent, for the benefit of the Secured Parties, pursuant to this Agreement or in respect of Liens that are permitted by the Credit Agreement or any other Loan Document or for which termination statements will be delivered on the Closing Date.

4.3. Perfected First Priority Liens.

(a) Upon completion of the filings and other actions specified on Schedule 4 (which, in the case of all filings and other documents referred to on said Schedule, have been delivered to the Collateral Agent in completed and, where required, duly executed form) and the obtaining and maintenance of "control" (within the meaning of Section 8-106 and 9-104 of the New York UCC) by the Collateral Agent of all Deposit Accounts, the security interests granted in Section 3 will constitute valid perfected security interests in all of the Collateral (except for Excluded Perfection Assets) in favor of the Collateral Agent, for the benefit of the Secured Parties, as collateral security for the Obligations, enforceable in accordance with the terms hereof against all creditors of such Grantor and any Persons purporting to purchase any such Collateral from such Grantor other than Ordinary Course Transferees and is and will be prior to all other Liens on such Collateral except for Liens permitted by the Credit Agreement which have priority over the Liens on such Collateral by operation of law. Without limiting the foregoing and except as otherwise permitted or provided in Section 5 hereof, each Grantor has taken all actions necessary or desirable to: (i) establish the Collateral Agent's "control" (within the meanings of Sections 8-106 and 9-106 of the New York UCC) over any portion of the Investment Property constituting Certificated Securities, Uncertificated Securities, Securities Accounts, Securities Entitlements or Commodity Accounts (each as defined in the New York UCC), (ii) establish the Collateral Agent's "control" (within the meaning of Section 9-104 of the New York UCC) over all Deposit Accounts of such Grantor, (iii) establish the Collateral Agent's "control" (within the meaning of Section 9-107 of the New York UCC) over all Letter of Credit Rights of such Grantor, (iv) establish the Collateral Agent's control (within the meaning of Section 9-105 of the New York UCC) over all Electronic Chattel Paper of such Grantor and (v) establish the Collateral Agent's "control" (as defined in UETA) over all "transferable records" (as defined in UETA) of such Grantor.

(b) Each Grantor consents to the grant by each other Grantor of the security interests granted hereby and the transfer of any Capital Stock or Investment Property to the Collateral Agent or its designee on the occurrence and continuance of an Event of Default and to the substitution of the Collateral Agent or its designee or the purchaser upon any foreclosure sale as the holder and beneficial owner of the interest represented thereby.

4.4. Jurisdiction of Organization; Chief Executive Office. On the date hereof, such Grantor's exact legal name, jurisdiction of organization, organizational identification number from the jurisdiction of organization (if any), and the location of such Grantor's chief executive office or sole place of business or principal residence, as the case may be, are specified on Schedule 3. On the date hereof, such Grantor is organized solely under the law of the jurisdiction so specified and has not filed any certificates of domestication, transfer or continuance in any other jurisdiction. Except as otherwise indicated on Schedule 3, the jurisdiction of such Grantor's organization or formation is required to maintain a public record showing the Grantor to have been organized or formed. On the date hereof, except as specified on Schedule 3, such Grantor has not changed its name, jurisdiction of organization, chief executive office or sole place of business or its corporate or organizational form in any way (e.g. by merger, consolidation, change in corporate form or otherwise) within the past five years and has not within the last five years become bound (whether as a result of merger or otherwise) as grantor under a security agreement entered into by another person, which (x) has not heretofore been terminated or (y) is in respect of a Lien that is not permitted by the Credit Agreement. Such Grantor has furnished to the Collateral Agent its Organizational Documents as in effect as of a date which is recent to the date hereof.

4.5. Inventory and Equipment.

(a) On the date hereof Schedule 5 sets forth all locations where any Inventory and Equipment (other than mobile goods or Inventory in transit in the ordinary course of business) in excess of $1,000,000 in the aggregate in value are kept.

(b) All Inventory now or hereafter produced by any Grantor included in the Collateral has been and will be produced in compliance with the requirements of the Fair Labor Standards Act, as amended.

(c) Except as specifically indicated on Schedule 5, to the knowledge of such Grantor none of the Inventory or Equipment of such Grantor with a value in excess of $100,000 is in possession of a bailee.

4.6. Farm Products. None of the Collateral constitutes, or is the Proceeds of, Farm Products.

4.7. Investment Related Property and Deposit Accounts. (a) Schedule 2 hereto (as such schedule may be amended or supplemented from time to time) sets forth under the headings "Pledged Stock," "Pledged LLC Interests" and "Pledged Partnership Interests," all of the Pledged Stock, Pledged LLC Interests and Pledged Partnership Interests, respectively, owned by any Grantor and such Pledged Equity Interests constitute the percentage of issued and outstanding shares of stock, percentage of membership interests, percentage of partnership interests or percentage of beneficial interest of the respective issuers thereof indicated on such schedule. Schedule 2 (as such schedule may be amended or supplemented from time to time) sets forth under the heading "Pledged Notes" all of the Pledged Notes owned by any Grantor and all of such Pledged Notes have been duly authorized, authenticated or issued, and delivered and is the legal, valid and binding obligation of the issuers thereof enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principals of equity, regardless of whether considered in a proceeding in equity or at law, and is not in default and constitutes all of the issued and outstanding inter-company indebtedness evidenced by an instrument or certificated security of the respective issuers thereof owing to such Grantor. Schedule 2 hereto (as such schedule may be amended from time to time) sets forth under the headings "Securities Accounts," "Commodities Accounts," and "Deposit Accounts" respectively, all of the Securities Accounts, Commodities Accounts and Deposit Accounts in which each Grantor has an interest. Each Grantor is the sole entitlement holder or customer of each such account, and no Grantor has consented to or is otherwise aware of any person having "control" (within the meanings of Sections 8-106, 9-106 and 9-104 of the New York UCC) over, or any other interest in, any such Securities Account, Commodity Account or Deposit Account, in each case in which such Grantor has an interest, or any securities, commodities or other property credited thereto other than the Collateral Agent.

(b) The shares of Pledged Equity Interests pledged by such Grantor hereunder constitute all of the issued and outstanding shares of all classes of Equity Interests in each Issuer owned by such Grantor or, in the case of Excluded Foreign Subsidiary Voting Stock, if less, 65% of the outstanding Excluded Foreign Subsidiary Voting Stock of each relevant Issuer.

(c) All the shares of the Pledged Equity Interests have been duly and validly issued and are fully paid and nonassessable.

(d) The terms of all Pledged LLC Interests and Pledged Partnership Interests expressly provide that they are securities governed by Article 8 of the Uniform Commercial Code in

effect from time to time in the "issuer's jurisdiction" of each Issuer thereof (as such term is defined in the Uniform Commercial Code in effect in such jurisdiction) and such Pledged LLC Interests and Pledged Partnership Interests are evidenced by certificates.

(e) Such Grantor is the record and beneficial owner of, and has good and marketable title to, the Investment Related Property and Deposit Accounts pledged by it hereunder, free of any and all Liens or options in favor of, or claims of, any other person, except Liens permitted to exist on the Collateral by the Credit Agreement, and there are no outstanding warrants, options or other rights to purchase, or shareholder, voting trust or similar agreements outstanding with respect to, or property that is convertible into, or that requires the issuance or sale of, any Pledged Equity Interests.

4.8. Receivables.

(a) No amount payable to such Grantor under or in connection with any Receivable in excess of $250,000 individually is evidenced by any Instrument or Chattel Paper which has not been delivered to the Collateral Agent.

(b) None of the obligors on any Receivables in excess of $250,000 in the aggregate is a Governmental Authority.

(c) The amounts represented by such Grantor to the Collateral Agent or the other Secured Parties from time to time as owing to such Grantor in respect of such Grantor's Receivables will at such time be the correct amount, in all material respects, actually owing thereunder.

4.9. Intellectual Property.

(a) On the date hereof, Schedule 6 lists all Patents, registrations and applications to register Trademarks and registered Copyrights owned by such Grantor in its own name on the date hereof. Except as set forth in Schedule 6, such Grantor is the exclusive owner of the entire and unencumbered right, title and interest in and to such applications, registrations and issuances.

(b) On the date hereof, all Intellectual Property of such Grantor described on Schedule 6 is subsisting and unexpired and has not been abandoned and is valid and enforceable. To the knowledge of such Grantor, neither the operation of such Grantor's business as currently conducted nor the use of the Intellectual Property in connection therewith conflicts with, infringes, misappropriates, dilutes, misuses or otherwise violates the Intellectual Property rights of any other Person.

(c) Except as set forth in Schedule 6, on the date hereof, (i) none of the material patents, trademarks, copyrights and trade secrets owned by any Grantor is the subject of any licensing or franchise agreement pursuant to which such Grantor is the licensor or franchisor and (ii) there are no other material agreements, obligations, orders or judgments to which such Grantor is subject which affect the use of any Intellectual Property owned by such Grantor.

(d) To the best knowledge of such Grantor, the rights of such Grantor in or to the Patents, Trademarks, Copyrights and Trade Secrets owned by such Grantor do not conflict with or infringe upon the rights of any third party, and no claim has been asserted that the use of such Intellectual Property does or may infringe upon the rights of any third party. There is currently no infringement or unauthorized use of any item of such Intellectual Property owned by such Grantor that, either individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

(e) No holding, decision or judgment has been rendered by any Governmental Authority which would limit, cancel or question the validity or enforceability of, or such Grantor's rights in, any Patent, Trademark, Copyright or Trade Secret owned by such Grantor in any respect that would reasonably be expected to have a Material Adverse Effect. Such Grantor is not aware of any uses of any item of such Intellectual Property owned by such Grantor that would reasonably be expected to lead to such item becoming invalid or unenforceable including unauthorized uses by third parties and uses which would reasonably be expected to damage the goodwill of the business associated with any of the Trademarks owned by such Grantor and Trademark Licenses.

(f) No action or proceeding is pending, or, to the knowledge of such Grantor, threatened, on the date hereof seeking to limit, cancel or question the validity of any material Patent, Trademark, Copyright or Trade Secret owned by such Grantor or such Grantor's ownership interest therein, which, if adversely determined, would have a Material Adverse Effect on the value of any Intellectual Property. The consummation of the transactions contemplated by this Agreement will not result in the termination or impairment of any of the Intellectual Property owned or licensed by such Grantor.

(g) With respect to each Copyright License, Trademark License and Patent License: (i) such license is valid and binding and in full force and effect and represents the entire agreement between the respective licensor and licensee with respect to the subject matter of such license; (ii) such Grantor has not received any notice of termination or cancellation under such license; (iii) such Grantor has not received any notice of a breach or default under such license, which breach or default has not been cured; and (iv) such Grantor is not in breach or default in any material respect, and no event has occurred that, with notice and/or lapse of time, would constitute such a breach or default or permit termination, modification or acceleration under such license.

(h) To the extent such Grantor has reasonably determined that it is commercially practicable to do so, such Grantor has used proper statutory notice in connection with its use of each material Patent, Trademark and Copyright owned by such Grantor.

(i) Such Grantor has taken commercially reasonable steps to protect the confidentiality of its Trade Secrets in accordance with its reasonable business judgment.

(j) Such Grantor has made all material filings and recordations and paid all fees necessary in its reasonable business judgment to adequately protect its interest in its United States Patents, Trademarks and Copyrights and material non-United States Patents, Trademarks and Copyrights owned by such Grantor including recordation of its interests in the material Patents and Trademarks owned by such Grantor with the United States Patent and Trademark Office and in similar offices or agencies in other countries and groups of countries, and recordation of interests in the Copyrights owned by such Grantor with the United States Copyright Office and in similar offices or agencies in other countries and groups of countries.

4.10. Material Contracts.

(a) Schedule 7 lists each contract to which any Grantor is a party that accounts for 10% or more of the total annual revenues of the Grantors taken as a whole.

(b) No Material Contract prohibits assignment or requires or purports to require consent of any party (other than such Grantor) to any Material Contract in connection with the execution, delivery and performance of this Agreement including, without limitation, the exercise of remedies by the Administrative Agent with respect to such Material Contract.

(c) Each Material Contract is in full force and effect and constitutes a valid and legally enforceable obligation of the parties thereto, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

(d) Neither such Grantor nor (to the best of such Grantor's knowledge) any of the other parties to the Material Contracts is in default in the performance or observance of any of the terms thereof in any manner that, in the aggregate, could reasonably be expected to have a Material Adverse Effect.

(e) The right, title and interest of such Grantor in, to and under the Material Contracts are not subject to any defenses, offsets, counterclaims or claims that, in the aggregate, could reasonably be expected to have a Material Adverse Effect.

(f) Such Grantor has delivered to the Administrative Agent a complete and correct copy of each Material Contract, including all amendments, supplements and other modifications thereto.

(g) No amount payable to such Grantor under or in connection with any Material Contract is evidenced by any Instrument or Tangible Chattel Paper which has not been delivered to the Collateral Agent or constitutes Electronic Chattel Paper that is not under the control of the Collateral Agent.

(h) None of the parties to any Material Contract is a Governmental Authority.

4.11. Letter of Credit Rights. Such Grantor is not a beneficiary or assignee under any letter of credit other than the letters of credit described on Schedule 8. Each letter of credit listed on Schedule 8 constitutes a Supporting Obligation for another item of the Collateral.

4.12. Commercial Tort Claims. Such Grantor has no Commercial Tort Claims other than those described on Schedule 9.

SECTION 5. COVENANTS

Each Grantor covenants and agrees with the Secured Parties that, from and after the date of this Agreement until the Collateral is released pursuant to Section 8.15(a):

5.1. Covenants in Credit Agreement. Such Grantor shall take, or refrain from taking, as the case may be, each action that is necessary to be taken or not taken, so that no breach of the covenants in the Credit Agreement pertaining to actions to be taken, or not taken, by such Grantor will result.

5.2. Delivery and Control of Instruments, Certificated Securities, Chattel Paper, Negotiable Documents and Letter of Credit Rights.

(a) If any of the Collateral of such Grantor is or shall become evidenced or represented by any Instrument, Negotiable Document or Tangible Chattel Paper, upon the request of the Collateral Agent such Instrument, Negotiable Documents or Tangible Chattel Paper shall be immediately delivered to the Collateral Agent, duly indorsed in a manner reasonably satisfactory to the Collateral Agent, to be held as Collateral pursuant to this Agreement.

(b) If any of the Collateral of such Grantor is or shall become "Electronic Chattel Paper" the aggregate face amount of which exceeds $250,000, such Grantor shall ensure that (i) a single authoritative copy exists which is unique, identifiable, unalterable (except as provided in clauses (iii), (iv) and (v) of this paragraph), (ii) such authoritative copy identifies the Collateral Agent as the assignee and is communicated to and maintained by the Collateral Agent or its designee, (iii) copies or revisions that add or change the assignee of the authoritative copy can only be made with the participation of the Collateral Agent, (iv) each copy of the authoritative copy and any copy of a copy is readily identifiable as a copy and not the authoritative copy and (v) any revision of the authoritative copy is readily identifiable as an authorized or unauthorized revision.

(c) If any of the Collateral of such Grantor is or shall become evidenced or represented by an Uncertificated Security in excess of $250,000, upon the request of the Collateral Agent, such Grantor shall cause the issuer thereof either (i) to register the Collateral Agent as the registered owner of such Uncertificated Security, upon original issue or registration of transfer or (ii) to promptly (but in any event within 30 days of such request) agree in writing with such Grantor and the Collateral Agent that such Issuer will comply with instructions with respect to such Uncertificated Security originated by the Collateral Agent without further consent of such Grantor, such agreement to be in form and substance reasonably satisfactory to the Collateral Agent.

(d) if any of the Collateral of such Grantor is or shall become evidenced or represented by any Certificated Security (other than any Capital Stock which is specifically excluded from the definition of Pledged Stock by virtue of the proviso to such definition and any promissory note that does not qualify as a Pledged Note pursuant to the definition thereof), such Certificated Security shall be promptly delivered to the Collateral Agent, duly indorsed in a manner reasonably satisfactory to the Collateral Agent, to be held as Collateral pursuant to this Agreement.

(e) In addition to and not in lieu of the foregoing, if any issuer of any Investment Property is organized under the law of, or has its chief executive office in, a jurisdiction outside of the United States, each Grantor shall take such additional actions, including causing the issuer to register the pledge on its books and records, as may be reasonably requested by the Collateral Agent, under the laws of such jurisdiction to insure the validity, perfection and priority of the security interest of the Collateral Agent.

(f) In the case of any Letter-of-Credit Rights in any letter of credit exceeding $250,000 in value, upon the reasonable request of the Collateral Agent, each Grantor shall promptly (but in any event with in 60 days of such request or such later date to which the Collateral Agent may consent in writing) obtain the consent of the issuer thereof and any nominated person thereon to the assignment of the proceeds of the related letter of credit in accordance with Section 5-114(c) of the New York UCC, pursuant to an agreement in form and substance reasonably satisfactory to the Collateral Agent. No Grantor will consent to any person having "control" (within the meaning of Section 9-107 of the New York UCC) over, or any other interest in, any Letter-of-Credit Rights which such Grantor has an interest, other than the Collateral Agent.

(g) If any of the Collateral of such Grantor is or shall become "transferable records" as defined in UETA, such Grantor shall promptly notify the Collateral Agent thereof and, at the request of the Collateral Agent, shall take such action as the Collateral Agent may reasonably request to vest in the Collateral Agent "control" under Section 16 of UETA over such transferable records. The Collateral Agent agrees with such Grantor that the Collateral Agent will arrange, pursuant to procedures reasonably satisfactory to the Collateral Agent and so long as such procedures will not result in the Collateral Agent's loss of control, for the Grantor to make alterations to the transferable records permitted under Section 16 of UETA for a party in control to allow without loss of control, unless an Event of Default has

occurred and is continuing or would occur after taking into account any action by such Grantor with respect to such transferable records

5.3. Maintenance of Insurance.

(a) Such Grantor will maintain, with financially sound and reputable companies, insurance policies (i) on all its 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 similar business and (ii) naming the Collateral Agent on behalf of the Secured Parties as additional insureds under liability insurance policies to the extent reasonably requested by the Collateral Agent.

(b) All such insurance shall (i) provide that no cancellation, material reduction in amount or material change in coverage thereof shall be effective until at least 30 days (10 days for non-payment of premium) after receipt by the Collateral Agent of written notice thereof and (ii) name the Collateral Agent as additional insured party and/or loss payee in respect of property and business interruption insurance. All proceeds of business and interruption insurance received by the Collateral Agent shall be released by the Collateral Agent to the Borrower for account of the Grantor entitled thereto, unless (i) an Event of Default has occurred and is continuing or (ii) otherwise provided in the Credit Agreement.

5.4. Payment of Obligations. Such Grantor will pay and discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all material taxes and other material assessments and governmental charges or levies imposed upon such Grantor's Collateral or in respect of income or profits therefrom, as well as all claims of any kind (including claims for labor, materials and supplies) against or with respect to such Grantor's Collateral, except such claims as to which the failure to pay or discharge would not reasonably be expected to result in a Material Adverse Effect.

5.5. Maintenance of Perfected Security Interest; Further Documentation.

(a) Such Grantor shall maintain the security interest created by this Agreement in such Grantor's Collateral as a security interest having at least the perfection and priority described in Section 4.3 and shall defend such security interest against the claims and demands of all Persons whomsoever, subject to the rights of such Grantor under the Loan Documents to dispose of the Collateral.

(b) Such Grantor will furnish to the Collateral Agent from time to time statements and schedules further identifying and describing the assets and property of such Grantor in reasonable detail and such other reports in connection therewith as the Collateral Agent may reasonably request.

(c) Such Grantor shall permit representatives of the Collateral Agent, the Administrative Agent or any other Secured Party to visit and inspect any of its properties and examine and make abstracts from any of its books and records at any reasonable time and as often as may reasonably be desired and to discuss the business, operations, properties and financial and other condition of the Grantor with officers and employees of the Grantor and with their independent certified public accountants; provided that so long as no Event of Default has occurred and is continuing, (i) the rights of the Secured Parties (but not the Collateral Agent or the Administrative Agent) under this clause (c) shall be limited to once a year in the aggregate and (ii) the rights of the Collateral Agent and the Administrative Agent under this clause (c) shall be limited to three times a year. The Collateral Agent and the other Secured Parties and their respective representatives shall at all times while an Event of Default exists also have the right to enter into and upon any premises where any of the Inventory or Equipment is located for

the purpose of examining, inspecting or auditing the same, observing its use or otherwise protecting their interests therein.

(d) At any time and from time to time, upon the written request of the Collateral Agent, and at the sole expense of such Grantor, such Grantor will promptly and duly execute and deliver, and have recorded, such further instruments and documents, including, without limitation, a completed Pledge Supplement, substantially in the form of Annex IV attached hereto, and take such further actions as the Collateral Agent may reasonably request for the purpose of creating, perfecting, ensuring the priority of, protecting or enforcing the Collateral Agent's security interest in the Collateral or otherwise conferring or preserving the full benefits of this Agreement and of the interests, rights and powers herein granted.

5.6. Changes in Locations, Name, etc. Such Grantor will not, except upon not less than 30 days' prior written notice to the Collateral Agent and delivery to the Collateral Agent of (a) all additional financing statements and other documents (executed where appropriate) reasonably requested by the Collateral Agent to maintain the validity, perfection and priority of the security interests provided for herein and (b) if applicable, a written supplement to Schedule 5 showing any additional location at which Inventory or Equipment shall be kept:

(i) change its jurisdiction of organization or the location of its chief executive office or sole place of business or principal residence from that referred to in Section 4.4;

(ii) change its name; or

(iii) permit any Inventory or Equipment (other than mobile goods or Inventory in transit in the ordinary course of business) in excess of $1,000,000 in the aggregate in value to be kept at a location other than those listed on Schedule 5.

5.7. Reserved

5.8. Investment Property.

(a) If such Grantor shall become entitled to receive or shall receive any stock certificate (including any certificate representing a stock dividend or a distribution in connection with any reclassification, increase or reduction of capital or any certificate issued in connection with any reorganization), option or rights in respect of the Capital Stock of any Issuer, whether in addition to, in substitution of, as a conversion of, or in exchange for, any shares of the Pledged Stock, or otherwise in respect thereof, such Grantor shall accept the same as the agent of the Secured Parties, hold the same in trust for the Secured Parties and deliver the same forthwith to the Collateral Agent in the exact form received, duly indorsed by such Grantor to the Collateral Agent, if required, together with an undated stock power or equivalents covering such certificate duly executed in blank by such Grantor and with, if the Collateral Agent so requests, signature guaranteed, to be held by the Collateral Agent, subject to the terms hereof, as additional collateral security for the Obligations; provided, that in no event shall there be pledged more than 65% of any of the outstanding Foreign Subsidiary Voting Stock of any Foreign Subsidiary. Any sums paid upon or in respect of the Investment Property upon the liquidation or dissolution of any Issuer shall be paid over to the Collateral Agent (unless otherwise agreed in the Credit Agreement) to be held by it hereunder as additional collateral security for the Obligations, and in case any distribution of capital shall be made on or in respect of the Investment Property or any property shall be distributed upon or with respect to the Investment Property pursuant to the recapitalization or reclassification of the capital of any Issuer or pursuant to the reorganization thereof, the property so

distributed shall, unless otherwise subject to a perfected security interest in favor of the Collateral Agent, be delivered to the Collateral Agent to be held by it hereunder as additional collateral security for the Obligations. If any sums of money or property so paid or distributed in respect of the liquidation or dissolution of any Issuer shall be received by such Grantor, such Grantor shall, until such money or property is paid or delivered to the Collateral Agent, hold such money or property in trust for the Secured Parties, segregated from other funds of such Grantor, as additional collateral security for the Obligations.

(b) Without the prior written consent of the Collateral Agent, such Grantor will not, except as permitted by the Credit Agreement, (i) vote to enable, or take any other action to permit, any Issuer of Pledged Stock to issue any stock or other equity securities of any nature or to issue any other securities convertible into or granting the right to purchase or exchange for any stock or other equity securities of any nature of any Issuer, (ii) sell, assign, transfer, exchange, or otherwise dispose of, or grant any option with respect to, the Investment Property or Proceeds thereof, (iii) create, incur or permit to exist any Lien or option in favor of, or any claim of any Person with respect to, any of the Investment Property or Proceeds thereof, or any interest therein, except for the security interests created by this Agreement or Liens permitted by the Credit Agreement or (iv) enter into any agreement or undertaking restricting the right or ability of such Grantor or the Collateral Agent to sell, assign or transfer any of the Investment Property or Proceeds thereof (unless such restriction is permitted by the Credit Agreement).

(c) With respect to any Investment Property that is a Deposit Account, Commodity Account, Securities Account or Securities Entitlement with a balance at any time outstanding in excess of $15,000 individually or $100,000 in the aggregate, it shall cause the depositary institution or securities intermediary maintaining such account or entitlement to enter into an agreement, substantially in the form of Exhibit K to the Credit Agreement, pursuant to which the depositary institution or securities intermediary shall agree to comply with the Collateral Agent's instructions without further consent by such Grantor and shall establish that the Collateral Agent shall have "control" (within the meaning of Section 8-106, 9-104 or 9-106, as applicable, of the New York UCC) over such Deposit Account, Commodity Account, Securities Account or Securities Entitlement. Such Grantor shall have entered into such control agreement or agreements with respect to: (i) any Securities Accounts, Securities Entitlements, Commodity Accounts or Deposit Accounts that exist on the Closing Date, (other than (A) the Wachovia Account, provided that the Wachovia Account shall only be used as a payroll account and no more than $500,000 shall be on deposit therein at any one time and (B) any such account with a balance outstanding at such time of $15,000 or less individually or $100,000 in the aggregate) as of or prior to the Closing Date and (ii) any Securities Accounts, Securities Entitlements, Deposit Accounts or Commodity Accounts that are created or acquired after the Closing Date other than account with a balance outstanding at any time of $15,000 or less or $100,000 in the aggregate, as of or prior to the deposit or transfer of any such Securities Entitlements or funds, whether constituting moneys or investments, into such Securities Accounts, Deposit Accounts or Commodity Accounts. No Grantor will consent to any person having "control" (within the meanings of Sections 8-106, 9-106 and 9-104 of the New York UCC) over, or any other interest in, any Securities Account, Securities Entitlements, Commodity Account or Deposit Account, in each case in which such Grantor has an interest, or any Securities, Commodities or other property credited thereto other than the Collateral Agent.

(d) In the case of each Grantor which is an Issuer, such Grantor agrees that (i) it will be bound by the terms of this Agreement relating to the Investment Property issued by it and will comply with such terms insofar as such terms are applicable to it, (ii) it will notify the Collateral Agent promptly in writing of the occurrence of any of the events described in Section 5.8(a) with respect to the Investment Property issued by it and (iii) it will take all actions required or reasonably requested by the Collateral Agent to enable or permit each Grantor to comply with Sections 6.3(c) and 6.7 as to all Investment Property issued by it.

(e) Such grantor shall not consent to any amendment to any related operating or partnership agreement, as applicable, that would render the representation in Section 4.7(d) to no longer be true and correct.

5.9. Receivables.

(a) Other than in the ordinary course of business or as permitted by the Loan Documents, such Grantor will not (i) grant any extension of the time of payment of any Receivable, (ii) compromise or settle any Receivable for less than the full amount thereof, (iii) release, wholly or partially, any Person liable for the payment of any Receivable, (iv) allow any credit or discount whatsoever on any Receivable or (v) amend, supplement or modify any Receivable in any manner that would materially adversely affect the value of the Receivables constituting Collateral taken as a whole.

(b) Such Grantor will deliver to the Collateral Agent a copy of each material demand, notice or document received by it that questions or calls into doubt the validity or enforceability of more than 5% of the aggregate amount of the then outstanding Receivables.

5.10. Intellectual Property. (a) Except as permitted in the Credit Agreement:

(i) With respect to each material Trademark owned by such Grantor, such Grantor (either itself or through licensees) will take all reasonably necessary steps to (i) continue to use such Trademark on each and every trademark class of goods applicable to its current line as reflected in its current catalogs, brochures and price lists in order to maintain such Trademark in full force free from any claim of abandonment for non-use, (ii) maintain as in the past the quality of products and services offered under such Trademark and take all reasonably necessary steps to ensure that all licensed users of such Trademark maintain as in the past such quality, (iii) not adopt or use any mark which is confusingly similar or a colorable imitation of such Trademark unless the Collateral Agent, for the benefit of the Secured Parties, shall obtain a perfected security interest in such mark (if a United States mark) pursuant to this Agreement, and (iv) not (and not permit any licensee or sublicensee thereof to) do any act or knowingly omit to do any act whereby such Trademark may become invalidated or impaired in any material respect.

(ii) Such Grantor (either itself or through licensees) will not do any act, or knowingly omit to do any act, whereby any material Patent may become forfeited, abandoned or dedicated to the public.

(iii) Such Grantor (either itself or through licensees) will not (and will not permit any licensee or sublicensee thereof to) do any act or knowingly omit to do any act whereby any material Copyright owned by such Grantor may become invalidated or otherwise impaired.

(iv) Such Grantor (either itself or through licensees) will not do any act that knowingly uses any material Intellectual Property to infringe the intellectual property rights of any other Person.

(v) To the extent such Grantor has reasonably determined that it is commercially practicable to do so, such Grantor (either itself or through licensees) will use proper statutory notice in connection with the use of each material Patent, Trademark and Copyright owned by such Grantor.

(vi) Such Grantor will notify the Collateral Agent and the Lenders promptly if it knows, or has reason to know, that any application or registration relating to any material Patent, Trademark or Copyright of such Grantor may become forfeited, abandoned or dedicated to the public, or of any material adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or any court or tribunal in any country) regarding such Grantor's ownership of, or the validity of, any material Patent, Trademark or Copyright owned by such Grantor or such Grantor's right to register the same or to own and maintain the same.

(vii) Such Grantor will take all reasonable and necessary steps, including in any proceeding before the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency in any other country or group of countries or any political subdivision of any of the foregoing, to maintain and pursue each application (and to obtain the relevant registration) and to maintain each registration of the material Patents, Trademarks and Copyrights owned by such Grantor, including the payment of required fees and taxes, the filing of responses to office actions issued by the United States Patent and Trademark Office and the United States Copyright Office, the filing of applications for renewal or extension, the filing of affidavits of use and affidavits of incontestability, the filing of divisional, continuation, continuation-in-part, reissue, and renewal applications or extensions, the payment of maintenance fees, and the participation in interference, reexamination, opposition, cancellation, infringement and misappropriation proceedings.

(viii) Such Grantor (either itself or through licensees) will not, without the prior written consent of the Collateral Agent, such consent not to be unreasonably withheld, discontinue use of or otherwise abandon any Intellectual Property, or abandon any application or any right to file an application for letters patent, trademark, or copyright, unless such Grantor shall have previously determined that such use or the pursuit or maintenance of such Intellectual Property is no longer desirable in the conduct of such Grantor's business and that the loss thereof could not reasonably be expected to have a Material Adverse Effect and, in which case, such Grantor shall give prompt notice of any such abandonment to the Collateral Agent in accordance herewith.

(ix) In the event that any material Intellectual Property is infringed, misappropriated or diluted by a third party, such Grantor shall (i) take such actions as such Grantor shall reasonably deem appropriate under the circumstances to protect such Intellectual Property and (ii) if such Intellectual Property is of material economic value, promptly notify the Collateral Agent after it learns thereof and, following consultation with the Collateral Agent, shall take such actions as it deems reasonable, which may include suing for infringement, misappropriation or dilution, seeking injunctive relief where appropriate and seeking to recover any and all damages for such infringement, misappropriation or dilution.

(x) Such Grantor shall take all steps in its business judgment reasonably necessary to protect the secrecy of all material Trade Secrets of such Grantor.

(b) After the date hereof, whenever such Grantor (i) shall acquire any Patent, Trademark or Copyright or (ii) either by itself or through any agent, employee, licensee or designee, shall file an application for the registration of any Patent, Trademark or Copyright owned by such Grantor with the United States Patent and Trademark Office, the United States Copyright Office or any similar office

or agency in any other country or any political subdivision thereof, such Grantor shall report such acquisition or filing to the Collateral Agent within 15 days after the last day of the fiscal quarter in which such filing occurs. Such Grantor agrees that the provisions of Section 3 shall automatically apply to such Intellectual Property.

(c) Such Grantor agrees (i) with respect to certain of its Intellectual Property, to execute a Copyright Security Agreement in substantially the form of Annex III-A, a Patent Security Agreement in substantially the form of Annex III-B and a Trademark Security Agreement in substantially the form of Annex III-C, as applicable in order to record the security interest granted herein to the Collateral Agent for the benefit of the Secured Parties with the United States Patent and Trademark Office or the United States Copyright Office, as applicable and (ii) to provide to the Collateral Agent, within 15 days after the last day of the fiscal quarter in which any Intellectual Property registered in such offices is acquired or registered by such Grantor, all documents necessary to record the security interest of the Collateral Agent in such Intellectual Property with such offices.

(d) Upon the reasonable request of the Collateral Agent, such Grantor shall execute and deliver, and use its best efforts to cause to be filed, registered or recorded, any and all agreements, instruments, documents, and papers which the Collateral Agent may reasonably request to evidence, register, record or perfect the Collateral Agent's security interest in any Copyright, Patent or Trademark and the goodwill and general intangibles of such Grantor relating thereto or represented thereby, in any office anywhere in the world in which filing, registration or recorded may be appropriate.

5.11. Vehicles. Grantor will cause the Collateral Agent's security interest in each Vehicle having a fair market value greater than $100,000 to be duly perfected, by notation on the certificate of title or as otherwise required by applicable law, within 30 days after such security interest attaches to such Vehicle.

5.12. Letter of Credit Rights. Such Grantor shall instruct all issuers and nominated persons under letters of credit under which the Grantor is the beneficiary or assignee (including the letters of credit described on Schedule 8) to make all payments thereunder to the Collateral Account.

5.13. Commercial Tort Claims. With respect to any Commercial Tort Claim in excess $250,000, it shall deliver to the Collateral Agent a completed Pledge Supplement, substantially in the form of Annex IV attached hereto.

5.14. Limitation on Liens on Collateral. Such Grantor shall not create, incur or permit to exist, will defend the Collateral against, and take such other action as is necessary to remove, any Lien or claim on or to the Collateral, other than Liens permitted pursuant to the Credit Agreement, and will defend the right, title and interest of the Collateral Agent and the other Secured Parties and the other holders of the Obligations in and to any of the Collateral against the claims and demands of all Persons whomsoever.

5.15. Limitations on Dispositions of Collateral. Such Grantor shall not sell, transfer, lease or otherwise dispose of any of the Collateral, or attempt, offer or contract to do so except as expressly permitted pursuant to the Credit Agreement.

SECTION 6. REMEDIAL PROVISIONS

6.1. Certain Matters Relating to Receivables.

(a) At any time and from time to time after the occurrence and during the continuation of an Event of Default, the Collateral Agent shall have the right to make test verifications of the Receivables in any manner and through any medium that it reasonably considers advisable, and each Grantor shall furnish all such assistance and information as the Collateral Agent may reasonably require in connection with such test verifications. At any time and from time to time after the occurrence and during the continuation of an Event of Default, at the expense of the relevant Grantor, such Grantor shall cause independent public accountants or others reasonably satisfactory to the Collateral Agent to furnish to the Collateral Agent reports showing reconciliations, aging and test verifications of, and trial balances for, the Receivables.

(b) The Collateral Agent hereby authorizes each Grantor to collect such Grantor's Receivables, and the Collateral Agent may curtail or terminate said authority at any time after the occurrence and during the continuance of an Event of Default. If required by the Collateral Agent at any time after the occurrence and during the continuance of an Event of Default, any payments of Receivables, when collected by any Grantor, (i) shall be forthwith (and, in any event, within two Business Days of receipt by such Grantor) deposited by such Grantor in the exact form received, duly indorsed by such Grantor to the Collateral Agent if required, in a Collateral Account maintained under the sole dominion and control of the Collateral Agent, subject to withdrawal by the Collateral Agent for the account of the Secured Parties only as provided in Section 6.5, and (ii) until so turned over, shall be held by such Grantor in trust for the Collateral Agent and the Secured Parties, segregated from other funds of such Grantor. If so requested by the Collateral Agent, each such deposit of Proceeds of Receivables shall be accompanied by a report identifying in reasonable detail the nature and source of the payments included in the deposit.

(c) At any time and from time to time after the occurrence and during the continuation of an Event of Default, if so requested by the Collateral Agent, each Grantor shall deliver to the Collateral Agent all original and other documents evidencing, and relating to, the agreements and transactions which gave rise to the Receivables, including all original orders, invoices and shipping receipts.

6.2. Communications with Obligors; Grantors Remain Liable.

(a) The Collateral Agent in its own name or in the name of others may at any time after the occurrence and during the continuance of an Event of Default communicate with obligors under the Receivables to verify with them to the Collateral Agent's satisfaction the existence, amount and terms of any Receivables.

(b) At any time after the occurrence and during the continuance of an Event of Default, the Collateral Agent may (and each Grantor at the request of the Collateral Agent shall) notify obligors on the Receivables that the Receivables have been assigned to the Collateral Agent for the benefit of the Secured Parties and that payments in respect thereof shall be made directly to the Collateral Agent.

(c) Anything herein to the contrary notwithstanding, each Grantor shall remain liable under each of such Grantor's Receivables to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise thereto. No Secured Party shall have any obligation or liability under any Receivable (or any agreement

giving rise thereto) by reason of or arising out of this Agreement or the receipt by any Secured Party of any payment relating thereto, nor shall any Secured Party be obligated in any manner to perform any of the obligations of any Grantor under or pursuant to any Receivable (or any agreement giving rise thereto), to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party thereunder, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

6.3. Investment Property.

(a) Unless an Event of Default has occurred and is continuing and the Collateral Agent has given notice to the relevant Grantor of the Collateral Agent's intent to exercise its rights pursuant to Section 6.3(b), each Grantor may receive all cash dividends paid in respect of the Pledged Equity Interests and all payments made in respect of the Pledged Notes, in each case paid in the normal course of business of the relevant Issuer, to the extent permitted in the Credit Agreement, and may exercise all voting and corporate or other organizational rights with respect to Investment Property; provided, that no vote shall be cast or corporate or other organizational right exercised or other action taken (other than in connection with a transaction permitted by the Credit Agreement) which would impair the Collateral or be inconsistent with or result in any violation of any provision of any Loan Document.

(b) If an Event of Default shall occur and be continuing and the Collateral Agent shall give notice of its intent to exercise such rights to the relevant Grantor or Grantors, (i) the Collateral Agent shall have the right to receive any and all cash dividends, payments or other Proceeds paid in respect of the Investment Property and make application thereof to the Obligations in the order set forth in Section 6.5, and (ii) any or all of the Investment Property shall be registered in the name of the Collateral Agent or its nominee, and the Collateral Agent or its nominee may thereafter exercise (A) all voting, corporate and other rights pertaining to such Investment Property at any meeting of shareholders of the relevant Issuer or Issuers or otherwise and (B) any and all rights of conversion, exchange and subscription and any other rights, privileges or options pertaining to such Investment Property as if it were the absolute owner thereof (including the right to exchange at its discretion any and all of the Investment Property upon the merger, consolidation, reorganization, recapitalization or other fundamental change in the corporate or other organizational structure of any Issuer, or upon the exercise by any Grantor or the Collateral Agent of any right, privilege or option pertaining to such Investment Property, and in connection therewith, the right to deposit and deliver any and all of the Investment Property with any committee, depositary, transfer agent, registrar or other designated agency upon such terms and conditions as the Collateral Agent may reasonably determine), all without liability except to account for property actually received by it, but the Collateral Agent shall have no duty to any Grantor to exercise any such right, privilege or option and shall not be responsible for any failure to do so or delay in so doing.

(c) Each Grantor hereby authorizes and instructs each Issuer of any Investment Property pledged by such Grantor hereunder to (i) comply with any instruction received by it from the Collateral Agent in writing that (A) states that an Event of Default has occurred and is continuing and (B) is otherwise in accordance with the terms of this Agreement, without any other or further instructions from such Grantor, and each Grantor agrees that each Issuer shall be fully protected in so complying, and (ii) after receipt by an Issuer or obligor of any instructions pursuant to Section 6.3(c)(i) hereof, pay any dividends or other payments with respect to the Investment Property directly to the Collateral Agent.

6.4. Proceeds to be Turned Over to Collateral Agent. In addition to the rights of the Secured Parties specified in Section 6.1 with respect to payments of Receivables, if an Event of Default shall occur and be continuing and the Collateral Agent has instructed any Grantor to do so, all Proceeds

received by such Grantor consisting of cash, checks and other near-cash items shall be held by such Grantor in trust for the Secured Parties, segregated from other funds of such Grantor, and shall, forthwith upon receipt by such Grantor, be turned over to the Collateral Agent in the exact form received by such Grantor (duly indorsed by such Grantor to the Collateral Agent, if required). All Proceeds received by the Collateral Agent hereunder shall be held by the Collateral Agent in a Collateral Account maintained under its sole dominion and control. All Proceeds while held by the Collateral Agent in a Collateral Account (or by such Grantor in trust for the Collateral Agent and the Secured Parties) shall continue to be held as collateral security for all the Obligations and shall not constitute payment thereof until applied as provided in Section 6.5.

6.5. Application of Proceeds. If and whenever any Event of Default has occurred and is continuing, the Collateral Agent shall apply all or any part of Proceeds constituting Collateral, whether or not held in any Collateral Account, in payment of the Obligations in the following order: first, to unpaid and unreimbursed costs, expenses and fees of the Administrative Agent and the Collateral Agent (including to reimburse ratably any other Secured Parties which have advanced any of the same to the Collateral Agent), each in its capacity as such, second, to the Administrative Agent, for application by it toward payment of outstanding Swingline Loans and any Obligations arising in connection therewith, third, to the Administrative Agent, for application by it toward payment of the Obligations arising in connection with the Revolving Facility and any Specified Cash Management Agreements (including, without limitation, repayment of any outstanding Revolving Loans and cash collateralization or discharge of all Letters of Credit) and to reduce permanently the Revolving Commitments until Payment in Full of the Revolving Facility, *pro rata* among the Secured Parties according to the amount of such Obligations then owing to the applicable Secured Parties, fourth, to the Administrative Agent, for application by it toward payment of all amounts then due and owing and remaining unpaid in respect of the Obligations, *pro rata* among the Secured Parties according to the amount of the Obligations then due and owing and remaining unpaid to the Secured Parties, and fifth, to the Administrative Agent, for application by it toward prepayment of the Obligations, *pro rata* among the Secured Parties according to the amount of the Obligations then held by the Secured Parties. Any balance of such Proceeds remaining after the Obligations have been paid in full, all Letters of Credit have either been cash collateralized or discharged, and all commitments to extend credit under the Loan Documents have terminated shall be paid over to the Borrower or to whomsoever may be lawfully entitled to receive the same.

6.6. Code and Other Remedies. If an Event of Default shall occur and be continuing, the Collateral Agent may exercise, in addition to all other rights and remedies granted to it in this Agreement and in any other Loan Document, all rights and remedies of a secured party under the New York UCC or any other applicable law or in equity. Without limiting the generality of the foregoing, to the fullest extent permitted by applicable law, the Collateral Agent, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon any Grantor or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, lease, assign, give option or options to purchase, or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of any Agent or any Secured Party or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. Any Secured Party shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in any Grantor, which right or equity is hereby waived and released. Each Grantor further agrees, at the Collateral Agent's request, to assemble the Collateral and make it available to the Collateral Agent at places which the Collateral Agent shall reasonably select, whether at such Grantor's premises or

elsewhere. The Collateral Agent shall apply the net proceeds of any action taken by it pursuant to this Section 6.6, after deducting all reasonable costs and expenses of every kind incurred in connection therewith or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Collateral Agent and the Secured Parties hereunder, including reasonable attorneys' fees and disbursements, to the payment in whole or in part of the Obligations, in such order as set forth in Section 6.5, and only after such application and after the payment by the Collateral Agent of any other amount required by any provision of law, including Section 9-615(a)(3) of the New York UCC, need the Collateral Agent account for the surplus, if any, to any Grantor. To the extent permitted by applicable law, each Grantor waives all claims, damages and demands it may acquire against any Secured Party arising out of the exercise of any rights hereunder other than any such claims, damages and demands that may arise from the gross negligence or willful misconduct of such Secured Party. If any notice of a proposed sale or other disposition of Collateral is required by law, such notice shall be deemed reasonable and proper if given at least 10 days before such sale or other disposition.

(b) Each Grantor recognizes that the Collateral Agent may be unable to effect a public sale of any or all the Pledged Equity Interests, by reason of certain prohibitions contained in the Securities Act and applicable state securities laws or otherwise, and may be compelled to resort to one or more private sales thereof to a restricted group of purchasers which will be obliged to agree, among other things, to acquire such securities for their own account for investment and not with a view to the distribution or resale thereof. Each Grantor acknowledges and agrees that any such private sale may result in prices and other terms less favorable than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner. The Collateral Agent shall be under no obligation to delay a sale of any of the Pledged Equity Interests for the period of time necessary to permit the Issuer thereof to register such securities for public sale under the Securities Act, or under applicable state securities laws, even if such Issuer would agree to do so.

(c) Each Grantor agrees to use its best efforts to do or cause to be done all such other acts as may be necessary to make such sale or sales of all or any portion of the Pledged Stock pursuant to this Section 6.7 valid and binding and in compliance with any and all other applicable Requirements of Law; provided no Grantor shall be required to cause the issuer of any Pledged Equity Interest to register such securities for public sale under the Securities Act. Each Grantor further agrees that a breach of any of the covenants contained in this Section 6.7 will cause irreparable injury to the Secured Parties, that the Secured Parties have no adequate remedy at law in respect of such breach and, as a consequence, that each and every covenant contained in this Section 6.7 shall be specifically enforceable against such Grantor, and to the fullest extent permitted by applicable law, such Grantor hereby waives and agrees not to assert any defenses against an action for specific performance of such covenants except for a defense that no Event of Default has occurred or is continuing under the Credit Agreement.

6.7. Deficiency. Each Grantor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay its Obligations and the reasonable fees and disbursements of any attorneys employed by the Collateral Agent or any Secured Party to collect such deficiency.

SECTION 7. THE COLLATERAL AGENT

7.1. Collateral Agent's Appointment as Attorney-in-Fact, etc.

(a) Each Grantor hereby irrevocably constitutes and appoints the Collateral Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of such Grantor and in the name of such

Grantor or in its own name, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be reasonably necessary or desirable to accomplish the purposes of this Agreement, and, without limiting the generality of the foregoing, each Grantor hereby gives the Collateral Agent the power and right, on behalf of such Grantor, without notice to or assent by such Grantor, to do any or all of the following:

(i) in the name of such Grantor or its own name, or otherwise, take possession of and indorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under any Receivable of such Grantor or with respect to any other Collateral of such Grantor and file any claim or take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Collateral Agent for the purpose of collecting any and all such moneys due under any Receivable of such Grantor or with respect to any other Collateral of such Grantor whenever payable;

(ii) in the case of any Intellectual Property, execute and deliver, and have recorded, any and all agreements, instruments, documents and papers as the Collateral Agent may reasonably request to evidence the Secured Parties' security interest in such Intellectual Property and the goodwill and general intangibles of such Grantor relating thereto or represented thereby;

(iii) pay or discharge taxes and Liens levied or placed on or threatened against the Collateral, effect any repairs or any insurance called for by the terms of this Agreement and pay all or any part of the premiums therefor and the costs thereof;

(iv) execute, in connection with any sale provided for in Section 6.6 or 6.7, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral; and

(v) (A) direct any party liable for any payment under any of the Collateral to make payment of any and all moneys due or to become due thereunder directly to the Collateral Agent or as the Collateral Agent shall direct; (B) ask or demand for, collect, and receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral of such Grantor; (C) sign and indorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, notices and other documents in connection with any of the Collateral of such Grantor; (D) commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any portion thereof and to enforce any other right in respect of any Collateral of such Grantor; (E) defend any suit, action or proceeding brought against such Grantor with respect to any Collateral; (F) settle, compromise or adjust any such suit, action or proceeding and, in connection therewith, give such discharges or releases as the Collateral Agent may deem appropriate; (G) subject to any permitted licenses and reserved rights permitted under the Loan Documents, assign any Copyright, Patent or Trademark (along with the goodwill of the business to which any such Copyright, Patent or Trademark pertains), throughout the world for such term or terms, on such conditions, and in such manner, as the Collateral Agent shall in its sole discretion determine; and (H) generally, sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral of such Grantor as fully and completely as though the Collateral Agent were the absolute owner thereof for all purposes, and do, at the Collateral Agent's option and such Grantor's expense, at any

time, or from time to time, all acts and things which the Collateral Agent deems necessary to protect, preserve or realize upon the Collateral of such Grantor and the Secured Parties' security interests therein and to effect the intent of this Agreement, all as fully and effectively as such Grantor might do.

The Collateral Agent agrees that it will not exercise any rights under the power of attorney provided for in this Section 7.1(a) unless an Event of Default has occurred and is continuing.

(b) If any Grantor fails to perform or comply with any of its agreements contained herein, the Collateral Agent, at its option, but without any obligation so to do, may perform or comply with, or cause performance or compliance with, such agreement.

(c) The expenses of the Collateral Agent incurred in connection with actions undertaken as provided in this Section 7.1, together with interest thereon at a rate per annum equal to the rate per annum at which interest would then be payable on past due Revolving Loans that are Base Rate Loans under the Credit Agreement, from the date of payment by the Collateral Agent to the date reimbursed by the relevant Grantor, shall be payable by such Grantor to the Collateral Agent on demand.

(d) Each Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. All powers, authorizations and agencies contained in this Agreement are coupled with an interest and are irrevocable as to each Grantor until all security interests created hereby with respect to the Collateral of such Grantor are released.

7.2. Duty of Collateral Agent. The Collateral Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the New York UCC or otherwise, shall be to deal with it in the same manner as the Collateral Agent deals with similar property for its own account. Neither the Collateral Agent, any Secured Party nor any of their respective officers, directors, employees or agents shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any Grantor or any other Person or to take any other action whatsoever with regard to the Collateral or any part thereof. The powers conferred on the Secured Parties hereunder are solely to protect the Secured Parties' interests in the Collateral and shall not impose any duty upon any Secured Parties to exercise any such powers. The Secured Parties shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their officers, directors, employees or agents shall be responsible to any Grantor for any act or failure to act hereunder, except, in the case of the Collateral Agent only in respect of its own gross negligence or willful misconduct (subject to Section 11.12(e) of the Credit Agreement and other applicable provisions of the Loan Documents).

7.3. Control Agreements. The Collateral Agent will not give any "notice of sole control" under any control agreement unless an Event of Default has occurred and is continuing.

7.4. Financing Statements. Each Grantor hereby authorizes the filing of any financing statements or continuation statements, and amendments to financing statements, or any similar document in any jurisdictions and with any filing offices as the Collateral Agent may determine, in its sole discretion, are necessary or advisable to perfect or otherwise protect the security interest granted to the Collateral Agent herein. Such financing statements may describe the Collateral in the same manner as described herein or may contain an indication or description of collateral that describes such property in any other manner as the Collateral Agent may determine, in its sole discretion, is necessary, advisable or prudent to ensure the perfection of the security interest in the Collateral granted to the Collateral Agent herein, including describing such property as "all assets" or "all personal property" and may add thereto

"whether now owned or hereafter acquired." Each Grantor hereby ratifies and authorizes the filing by the Collateral Agent of any financing statement with respect to the Collateral made prior to the date hereof.

7.5. Authority, Immunities and Indemnities of Collateral Agent. Each Grantor acknowledges, and, by acceptance of the benefits hereof, each Secured Party agrees, that the rights and responsibilities of the Collateral Agent under this Agreement with respect to any action taken by the Collateral Agent or the exercise or non-exercise by the Collateral Agent of any option, voting right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Agreement shall, as among the Secured Parties, be governed by the Credit Agreement and that the Collateral Agent shall have, in respect thereof, all rights, remedies, immunities and indemnities granted to it in the Credit Agreement. By acceptance of the benefits hereof, each Secured Party that is not a Lender agrees to be bound by the provisions of the Credit Agreement applicable to the Collateral Agent, including Section 10 thereof, as fully as if such Secured Party were a Lender. The Collateral Agent shall be conclusively presumed to be acting as agent for the Secured Parties with full and valid authority so to act or refrain from acting, and no Grantor shall be under any obligation, or entitlement, to make any inquiry respecting such authority.

SECTION 8. MISCELLANEOUS

8.1. Amendments in Writing. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except in accordance with Section 11.1 of the Credit Agreement; provided that no such waiver, amendment, supplement or modification shall require the consent of the any Qualified Counterparty except as expressly provided in Section 11.1 of the Credit Agreement.

8.2. Notices. All notices, requests and demands to or upon the Collateral Agent or any Grantor hereunder shall be effected in the manner provided for in Section 11.2 of the Credit Agreement; provided that any such notice, request or demand to or upon any Grantor shall be addressed to such Grantor at its notice address set forth on Schedule 1 or to such other address as such Grantor may notify the Collateral Agent in writing; provided further that notices to the Collateral Agent shall be addressed as follows, or to such other address as may be hereafter notified by the Collateral Agent:

BNP Paribas
209 S. LaSalle Street, Suite 50
Chicago, IL 60604
Attention: Michael Colias
Telecopy: (312) 977-1380
Telephone: (312) 977-2235

with a copy to:

BNP Paribas
787 Seventh Avenue
New York, New York 10019-6016
Attention: Charles Romano
Telecopy: (212) 841-3065
Telephone: (212) 841-2968

8.3. No Waiver by Course of Conduct; Cumulative Remedies. No Secured Party shall by any act (except by a written instrument pursuant to Section 8.1), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default. No failure to exercise, nor any delay in exercising, on the part of any Secured Party, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of

any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by any Secured Party of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which such Secured Party would otherwise have on any future occasion. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

8.4. Enforcement Expenses; Indemnification.

(a) Each Grantor agrees to pay, or reimburse each Secured Party for, all its costs and expenses incurred in collecting against such Grantor under the guarantee contained in Section 18 of the Credit Agreement or otherwise enforcing or preserving any rights under this Agreement, the Credit Agreement and the other Loan Documents to which such Grantor is a party, including the reasonable fees and disbursements of counsel (including the allocated fees and expenses of in-house counsel) to the Collateral Agent and counsel to the each Secured Party.

(b) Each Grantor agrees to pay, and to save the Secured Parties harmless from, any and all liabilities with respect to, or resulting from any delay in paying, any and all stamp, excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral or in connection with any of the transactions contemplated by this Agreement.

(c) Each Grantor agrees to pay, and to save the Secured Parties harmless from, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Agreement on the terms set forth in Section 11.5 of the Credit Agreement.

(d) The agreements in this Section shall survive repayment of the Obligations and all other amounts payable under the Credit Agreement and the other Loan Documents.

8.5. Successors and Assigns. This Agreement shall be binding upon the successors and assigns of each Grantor and shall inure to the benefit of the Secured Parties and their successors and assigns; provided that no Grantor may assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Collateral Agent and, unless so consented to, each such assignment, transfer or delegation by any Grantor shall be void.

8.6. Set-Off. Each Grantor hereby irrevocably authorizes each Secured Party at any time and from time to time while an Event of Default shall have occurred and be continuing, without notice to such Grantor or any other Grantor, any such notice being expressly waived by each Grantor, to set-off and appropriate and apply any and all deposits (general or special, time or demand, provisional or final), 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 Secured Party to or for the credit or the account of such Grantor, or any part thereof in such amounts as such Secured Party may elect, against and on account of the obligations and liabilities of such Grantor to such Secured Party hereunder and claims of every nature and description of such Secured Party against such Grantor, in any currency, whether arising hereunder, under the Credit Agreement, any other Loan Document or otherwise, as such Secured Party may elect, whether or not any Secured Party has made any demand for payment and although such obligations, liabilities and claims may be contingent or unmatured. Each Secured Party shall notify such Grantor promptly of any such set-off and the application made by such Secured Party of the proceeds thereof, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Secured Party under this Section are in

addition to other rights and remedies (including other rights of set-off) which such Secured Party may have.

8.7. 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, the Administrative Agent and the Collateral Agent.

8.8. Severability. Any provision of this Agreement which 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.

8.9. Section Headings. The Section headings used in this Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

8.10. Integration. This Agreement and the other Loan Documents represent the entire agreement of the Grantors and the Secured Parties with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by any Secured Party relative to subject matter hereof and thereof not expressly set forth or referred to herein or in the other Loan Documents.

8.11. 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.

8.12. Submission To Jurisdiction; Waivers. Each Grantor 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 Courts of the State of New York, the courts of the United States of America 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 such Grantor at its address referred to in Section 8.2 or at such other address of which the Collateral 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.

8.13. Acknowledgements. Each Grantor hereby acknowledges that:

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

(b) no Secured Party has any fiduciary relationship with or duty to any Grantor arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between the Grantors, on the one hand, and the Secured Parties, 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 Secured Parties or among the Grantors and the Secured Parties.

8.14. Additional Grantors; Supplements to Schedules. (a) Each Subsidiary of the Borrower that is required to become a party to this Agreement pursuant to Section 7.10 of the Credit Agreement shall become a Grantor for all purposes of this Agreement upon execution and delivery by such Subsidiary of an Assumption Agreement in the form of Annex I hereto.

(b) The Grantors shall deliver to the Collateral Agent supplements to the Schedules to this Agreement as necessary to reflect changes thereto arising after the date hereof. Such Supplements shall become part of this Agreement as of the date of delivery to the Collateral Agent.

8.15. Releases.

(a) At such time as the Loans, the Reimbursement Obligations and all other Obligations (other than contingent surviving indemnity obligations in respect of which no claim or demand has been made and obligations arising under any Specified Cash Management Agreements) have been paid in full, all commitments to extend credit under the Loan Documents have terminated, all Letters of Credit have been discharged or secured by a collateral arrangement satisfactory to the Issuing Lender in its sole discretion, the Collateral shall be released from the Liens created hereby, and this Agreement and all obligations (other than those expressly stated to survive such termination) of the Collateral Agent and each Grantor hereunder shall terminate, all without delivery of any instrument or performance of any act by any party, and all rights to the Collateral shall revert to the Grantors. At the request and sole expense of any Grantor following any such termination, the Collateral Agent shall deliver to such Grantor any Collateral held by the Collateral Agent hereunder and execute and deliver to such Grantor such documents (in form and substance reasonably satisfactory to the Collateral Agent) as such Grantor may reasonably request to evidence such termination.

(b) If any of the Collateral is sold, transferred or otherwise disposed of by any Grantor in a transaction permitted by the Credit Agreement, then the Lien created pursuant to this Agreement in such Collateral shall be released, and the Collateral Agent, at the request and sole expense of such Grantor, shall execute and deliver to such Grantor all releases or other documents reasonably necessary or desirable for the release of such Collateral (not including Proceeds thereof) from the security

interests created hereby. At the request and sole expense of the Borrower, a Subsidiary Guarantor shall be released from its obligations hereunder in the event that all the Capital Stock of such Subsidiary Guarantor shall be sold, transferred or otherwise disposed of in a transaction permitted by the Credit Agreement; provided that the Borrower shall have delivered to the Collateral Agent, at least ten Business Days prior to the date of the proposed release, a written request for release identifying the relevant Subsidiary Guarantor and the terms of the sale or other disposition in reasonable detail, including the price thereof and any expenses in connection therewith, together with a certification by the Borrower stating that such transaction is in compliance with the Credit Agreement and the other Loan Documents.

8.16. WAIVER OF JURY TRIAL. EACH GRANTOR AND, BY ACCEPTANCE OF THE BENEFITS HEREOF, THE COLLATERAL AGENT AND EACH OTHER SECURED PARTY, HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

8.17. Secured Parties. By accepting the benefits of the Collateral, each of the Secured Parties agrees to be bound by the terms of the Loan Documents, including, without limitation, Section 10 of the Credit Agreement.

IN WITNESS WHEREOF, each of the undersigned has caused this Collateral Agreement to be duly executed and delivered as of the date first above written.

QUALITY HOME BRANDS HOLDINGS LLC

By:_____
Name:
Title:

QHB HOLDINGS LLC

By:_____
Name:
Title:

GENERATION BRANDS LLC

By:_____
Name:
Title:

MURRAY FEISS IMPORT LLC

By:_____
Name:
Title:

LOCUST GP LLC
By: Generation Brands LLC,
its sole member

By:_____
Name:
Title:

LPC MANAGEMENT, L.L.C.

By:_____
Name:
Title:

LIGHT PROCESS COMPANY, L.P.
By: LPC Management, L.L.C.,
its general partner

By:_____
Name:
Title:

SEA GULL LIGHTING PRODUCTS LLC

By:_____
Name:
Title:

WOODCO LLC

By:_____
Name:
Title:

TECH L ENTERPRISES INC.

By:_____
Name:
Title:

TECH LIGHTING L.L.C.

By:_____
Name:
Title:

LBL LIGHTING LLC.

By:_____
Name:
Title:

TECH L HOLDINGS, INC.

By:_____
Name:
Title:

Acknowledged and Agreed to:

BNP PARIBAS,
as Administrative Agent

By:_____
Name:
Title:

By:_____
Name:
Title:

BNP PARIBAS,
as Collateral Agent

By:_____
Name:
Title:

By:_____
Name:
Title:

Schedule 1

NOTICE ADDRESSES OF GRANTORS

Schedule 2

DESCRIPTION OF INVESTMENT PROPERTY

Pledged LLC Interests:

Name of Grantor	Name of Limited Liability Company	Type of Interest	Certificated (Y/N)	Certificate No.	% of Outstanding LLC Interests of the Limited Liability Company

Pledged Partnership Interests:

Name of Grantor	Name of Partnership	Type of Interest (e.g., general or limited)	Certificated (Y/N)	Certificate No.	% of Outstanding Partnership Interests of the Partnership

Pledged Stock:

Name of Grantor	Stock Issuer	Class of Stock	Certificated (Y/N)	Certificate No.	Par Value	No. of Shares	% of Outstanding Stock of the Stock Issuer

Pledged Notes:

Name of Grantor	Issuer	Original Principal Amount	Issue Date	Maturity Date

Securities Accounts:

Name of Grantor	Name of Securities Intermediary	Account Number	Account Name

Commodities Accounts:

Name of Grantor	Name of Commodities Intermediary	Account Number	Account Name

Deposit Accounts:

Name of Grantor	Name of Depositary Bank	Account Number	Account Name

Schedule 3

EXACT LEGAL NAME; LOCATION OF JURISDICTION OF ORGANIZATION; CHIEF EXECUTIVE OFFICE

Exact Legal Name of Grantor	Jurisdiction of Organization	Organizational Identification Number	Location of Chief Executive Office
Quality Home Brands Holdings LLC			
QHB Holdings LLC			
Generation Brands LLC			
Murray Feiss Import LLC			
Locust GP LLC			
LPC Management, L.L.C.			
Light Process Company, L.P.			
Sea Gull Lighting Products LLC			
WoodCo LLC			
Tech L Enterprises Inc.			
Tech Lighting L.L.C.			
LBL Lighting LLC			
Tech L Holdings, Inc.			

Schedule 4

FILINGS AND OTHER ACTIONS

REQUIRED TO PERFECT SECURITY INTERESTS

Uniform Commercial Code Filings

[List each office where a financing statement is to be filed for each Grantor][*]

Copyright, Patent and Trademark Filings

[List all filings for each Grantor]

Actions with respect to Pledged Stock[**]

Other Actions

[Describe other actions to be taken]

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[*] Note that perfection of security interests in patents and trademarks requires filings under the Uniform Commercial Code in the jurisdictions where filings would be made for general intangibles, as well as filings in the U.S Copyright Office and the U.S. Patent & Trademark Office.

[**] If the interest of a Grantor in Pledged Stock appears on the books of a financial intermediary, a control agreement as described in Section 8-106 of the New York UCC may be required by the Collateral Agent.

Schedule 5

LOCATIONS OF INVENTORY AND EQUIPMENT

Grantor	Locations

Schedule 6

INTELLECTUAL PROPERTY

Trademark Registrations and Applications

Trademark	Reg. No. (App. No.)	Reg. Date (App. Date)	Record Owner/Liens	Status/Comments

Patents

Patent	Reg. No. (App. No.)	Reg. Date (App. Date)	Record Owner/Lien	Status/Comments

Copyright Registrations

Title of Work	Reg. No.	Reg. Date	Record Owner/Liens	Status/ Comments

Top Level Domain Names

Domain Name	Registered	Expires	Record Owner	Status

License Agreements

Schedule 7

MATERIAL CONTRACTS

Schedule 8

LETTER OF CREDIT RIGHTS

Schedule 9

COMMERCIAL TORT CLAIMS

Annex I
to
Collateral Agreement

ASSUMPTION AGREEMENT (this "Assumption Agreement"), dated as of _____, 200_, made by _____, a _____ [corporation][limited liability company] (the "Additional Grantor"), in favor of BNP Paribas, as collateral agent (in such capacity, the "Collateral Agent") for the banks and other financial institutions (the "Lenders") parties to the Credit Agreement referred to below. All capitalized terms not defined herein shall have the meaning ascribed to them in such Credit Agreement.

RECITALS

A. Quality Home Brands Holdings LLC, as a debtor and debtor in possession (the "Borrower"), QHB Holdings LLC, a Delaware limited liability company, as a debtor and debtor in possession ("Holdings"), the Lenders and the Administrative Agent have entered into a Superpriority Secured Debtor-In-Possession Credit Agreement, dated as of December 4, 2009 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement");

B. In connection with the Credit Agreement, Holdings, the Borrower and certain of its Affiliates (other than the Additional Grantor) have entered into the Collateral Agreement, dated as of December [__], 2009 (as amended, supplemented or otherwise modified from time to time, the "Collateral Agreement") in favor of the Collateral Agent for the benefit of the Secured Parties;

C. WHEREAS, the Credit Agreement requires the Additional Grantor to become a party to the Collateral Agreement; and

D. WHEREAS, the Additional Grantor has agreed to execute and deliver this Assumption Agreement in order to become a party to the Collateral Agreement;

NOW, THEREFORE, IT IS AGREED:

1. Collateral Agreement. By executing and delivering this Assumption Agreement, the Additional Grantor, as provided in Section 8.14 of the Collateral Agreement, hereby becomes a party to the Collateral Agreement as a Grantor thereunder with the same force and effect as if originally named therein as a Grantor and, without limiting the generality of the foregoing, hereby grants the Collateral Agent, for the benefit of the Secured Parties, a security interest in all of its right, title and interest in the Collateral (as defined in the Collateral Agreement) as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of all Obligations as set forth in Section 3 thereof, and assumes all other obligations and liabilities of a Grantor set forth therein. The information set forth in Annex I-A hereto is hereby added to the information set forth in Schedules _____* to the Collateral Agreement. The Additional Grantor hereby represents and warrants that each of the representations and warranties contained in Section 4 of the Collateral Agreement is true and correct in all material respects on and as the date hereof (after giving effect to this Assumption Agreement) as if made on and as of such date.

* Refer to each Schedule which needs to be supplemented.

2. <u>GOVERNING LAW</u>. THIS ASSUMPTION AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS ASSUMPTION AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK. THE PROVISIONS OF SECTIONS 8.1, 8.3, 8.4, 8.5, 8.7, 8.8, 8.9, 8.10, 8.12, 8.13 AND 8.16 OF THE COLLATERAL AGREEMENT SHALL APPLY WITH LIKE EFFECT TO THIS ASSUMPTION AGREEMENT, AS FULLY AS IF SET FORTH AT LENGTH HEREIN.

IN WITNESS WHEREOF, the undersigned has caused this Assumption Agreement to be duly executed and delivered as of the date first above written.

[ADDITIONAL GRANTOR]

By:_____
Name:
Title:

Annex II
to
Collateral Agreement

ACKNOWLEDGEMENT AND CONSENT

The undersigned hereby acknowledges receipt of a copy of the Collateral Agreement dated as of December [__], 2009 (the "Agreement"), made by the Grantors parties thereto for the benefit of BNP Paribas, as Collateral Agent. The undersigned agrees for the benefit of the Secured Parties as follows:

1. The undersigned will be bound by the terms of the Agreement and will comply with such terms insofar as such terms are applicable to the undersigned.

2. The undersigned will notify the Collateral Agent promptly in writing of the occurrence of any of the events described in Section 5.8(a) of the Agreement.

3. The terms of Sections 6.3(a) and 6.7 of the Agreement shall apply to it with respect to all actions that may be required of it pursuant to Section 6.3(a) or 6.7 of the Agreement.

[NAME OF ISSUER]

By _____

Title _____

Address for Notices:

_____

_____

Fax:

Annex III-A
to
Collateral Agreement

FORM OF COPYRIGHT SECURITY AGREEMENT

This COPYRIGHT SECURITY AGREEMENT ("Agreement"), dated as of December [__], 2009, is entered into by and between each Grantor listed on the signature pages hereto (collectively, the "Grantors") and BNP Paribas (the "Assignee"), as Collateral Agent pursuant to that certain Collateral Agreement dated as of the date hereof between the Assignee and each of the Grantors (the "Security Agreement"), and pursuant to that certain Superpriority Secured Debtor-In-Possession Credit Agreement, dated as of December 4, 2009 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement") among Quality Home Brands Holdings LLC, a Delaware limited liability company, as a debtor and debtor in possession, as the Borrower, QHB Holdings LLC, a Delaware limited liability company, as a debtor and debtor in possession ("Holdings"), the Lenders from time to time party thereto and BNP Paribas as Administrative Agent and Collateral Agent.

Capitalized terms not otherwise defined herein have the respective meanings ascribed to them in the Security Agreement or the Credit Agreement, as applicable.

WHEREAS, pursuant to the Security Agreement, each Grantor is granting a security interest to the Assignee in certain Collateral, including the Copyrights set forth on Schedule A hereto.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each of the Grantors and the Assignee hereby agree as follows:

1. Grant of Security Interest

(a) Each Grantor hereby grants to Assignee, for the benefit of the Secured Parties, a security interest in all Copyrights, to the extent of such Grantor's right, title or interest therein, now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time in the future may acquire any right, title or interest, as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of all of the Obligations.

(b) Schedule A hereto contains a true and accurate list of all of each Grantor's United States Copyright registrations.

(c) The security interest granted hereby is granted in conjunction with the security interest granted to the Assignee under the Security Agreement. The rights and remedies of the Assignee with respect to the security interest granted hereby are in addition to those set forth in the Security Agreement (which is deemed incorporated by reference herein) and those which are now or hereafter available to the Assignee as a matter of law or equity. The exercise by the Assignee of any one or more of the rights, powers or remedies provided for in this Agreement, in the Security Agreement, or now or hereafter existing at law or in equity shall not

preclude the simultaneous or later exercise by any person, including the Assignee, of any or all other rights, powers or remedies.

2. Modifications

This Agreement or any provision hereof may not be changed, waived, or terminated except in accordance with the amendment provisions of the Security Agreement. Notwithstanding the foregoing, each Grantor authorizes the Assignee, upon notice to such Grantor, to modify this Agreement in the name of and on behalf of such Grantor without obtaining such Grantor's signature to such modification, to the extent that such modification constitutes an amendment of Schedule A, to add any right, title or interest in any Copyright owned or subsequently acquired by such Grantor. Each Grantor additionally agrees to execute any additional agreement or amendment hereto as may be required by the Assignee from time to time, to subject any such owned or subsequently acquired right, title or interest in any Copyright to the liens and perfection created or contemplated hereby or by the Security Agreement.

3. 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 LAWS OF THE STATE OF NEW YORK.

4. Successors and Assigns

This Agreement shall be binding upon the successors and assigns of each Grantor and shall inure to the benefit of the Secured Parties and their successors and assigns; provided that no Grantor may assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Assignee and, unless so consented to, each such assignment, transfer or delegation by any Grantor shall be void.

5. Counterparts

This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be duly executed and delivered as of the date first above written.

GRANTORS:

QUALITY HOME BRANDS HOLDINGS LLC

By:_____
Name:
Title:

QHB HOLDINGS LLC

By:_____
Name:
Title:

GENERATION BRANDS LLC

By:_____
Name:
Title:

MURRAY FEISS IMPORT LLC

By:_____
Name:
Title:

LOCUST GP LLC
By: Generation Brands LLC,
its sole member

By:_____
Name:
Title:

LPC MANAGEMENT, L.L.C.

By:_____
Name:
Title:

LIGHT PROCESS COMPANY, L.P.
By: LPC Management, L.L.C.,
its general partner

By:_____
Name:
Title:

SEA GULL LIGHTING PRODUCTS LLC

By:_____
Name:
Title:

WOODCO LLC

By:_____
Name:
Title:

TECH L ENTERPRISES, INC.

By:_____
Name:
Title:

TECH LIGHTING L.L.C.

By:_____
Name:
Title:

LBL LIGHTING LLC

By:_____
Name:
Title:

TECH L HOLDINGS, INC.

By:_____
Name:
Title:

ASSIGNEE:

BNP PARIBAS,
as Collateral Agent

By:_____
Name:
Title:

By:_____
Name:
Title:

Schedule A to COPYRIGHT SECURITY AGREEMENT

Title	Reg. No.	Grantor

Annex III-B
to
Collateral Agreement

FORM OF PATENT SECURITY AGREEMENT

This PATENT SECURITY AGREEMENT ("Agreement"), dated as of December [__], 2009, is entered into by and between each Grantor listed on the signature pages hereto (collectively, the "Grantors") and BNP Paribas (the "Assignee"), as Collateral Agent pursuant to that certain Collateral Agreement dated as of the date hereof between the Assignee and each of the Grantors (the "Security Agreement"), and pursuant to that certain Superpriority Secured Debtor-In-Possession Credit Agreement, dated as of December 4, 2009 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement") among Quality Home Brands Holdings LLC, a Delaware limited liability company, as a debtor and debtor in possession, as the Borrower, QHB Holdings LLC, a Delaware limited liability company, as a debtor and debtor in possession ("Holdings"), the Lenders from time to time party thereto and BNP Paribas as Administrative Agent and Collateral Agent.

Capitalized terms not otherwise defined herein have the respective meanings ascribed to them in the Security Agreement or the Credit Agreement, as applicable.

WHEREAS, pursuant to the Security Agreement, each Grantor is granting a security interest to the Assignee in certain Collateral, including the Patents set forth on Schedule A hereto.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each of the Grantors and the Assignee hereby agree as follows:

6. Grant of Security Interest

(a) Each Grantor hereby grants to Assignee, for the benefit of the Secured Parties, a security interest in all Patents, to the extent of such Grantor's right, title or interest therein, now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time in the future may acquire any right, title or interest, as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of all of the Obligations.

(b) Schedule A hereto contains a true and accurate list of all of each Grantor's United States Patents.

(c) The security interest granted hereby is granted in conjunction with the security interest granted to the Assignee under the Security Agreement. The rights and remedies of the Assignee with respect to the security interest granted hereby are in addition to those set forth in the Security Agreement (which is deemed incorporated by reference herein) and those which are now or hereafter available to the Assignee as a matter of law or equity. The exercise by the Assignee of any one or more of the rights, powers or remedies provided for in this Agreement, in the Security Agreement, or now or hereafter existing at law or in equity shall not

preclude the simultaneous or later exercise by any person, including the Assignee, of any or all other rights, powers or remedies.

7. Modifications

This Agreement or any provision hereof may not be changed, waived, or terminated except in accordance with the amendment provisions of the Security Agreement. Notwithstanding the foregoing, each Grantor authorizes the Assignee, upon notice to such Grantor, to modify this Agreement in the name of and on behalf of such Grantor without obtaining such Grantor's signature to such modification, to the extent that such modification constitutes an amendment of Schedule A, to add any right, title or interest in any Patent owned or subsequently acquired by such Grantor. Each Grantor additionally agrees to execute any additional agreement or amendment hereto as may be required by the Assignee from time to time, to subject any such owned or subsequently acquired right, title or interest in any Patent to the liens and perfection created or contemplated hereby or by the Security Agreement.

8. 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 LAWS OF THE STATE OF NEW YORK.

9. Successors and Assigns

This Agreement shall be binding upon the successors and assigns of each Grantor and shall inure to the benefit of the Secured Parties and their successors and assigns; provided that no Grantor may assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Assignee and, unless so consented to, each such assignment, transfer or delegation by any Grantor shall be void.

10. 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 counterparties 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, the Administrative Agent and the Collateral Agent.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be duly executed and delivered as of the date first above written.

GRANTORS:

QUALITY HOME BRANDS HOLDINGS LLC

By:_____
Name:
Title:

QHB HOLDINGS LLC

By:_____
Name:
Title:

GENERATION BRANDS LLC

By:_____
Name:
Title:

MURRAY FEISS IMPORT LLC

By:_____
Name:
Title:

LOCUST GP LLC
By: Generation Brands LLC,
its sole member

By:_____
Name:
Title:

LPC MANAGEMENT, L.L.C.

By:_____
Name:
Title:

LIGHT PROCESS COMPANY, L.P.
By: LPC Management, L.L.C.,
its general partner

By:_____
Name:
Title:

SEA GULL LIGHTING PRODUCTS LLC

By:_____
Name:
Title:

WOODCO LLC

By:_____
Name:
Title:

TECH L ENTERPRISES, INC.

By:_____
Name:
Title:

TECH LIGHTING L.L.C.

By:_____
Name:
Title:

LBL LIGHTING LLC

By:_____
Name:
Title:

TECH L HOLDINGS, INC.

By:_____
Name:
Title:

ASSIGNEE:

BNP PARIBAS,
as Collateral Agent

By:_____
Name:
Title:

By:_____
Name:
Title:

Schedule A to PATENT SECURITY AGREEMENT

Title	Patent. No. / Ser. No.	Grantor

Annex III-C
to
Collateral Agreement

FORM OF TRADEMARK SECURITY AGREEMENT

This TRADEMARK SECURITY AGREEMENT ("Agreement"), dated as of December [__], 2009, is entered into by and between each Grantor listed on the signature pages hereto (collectively, the "Grantors") and BNP Paribas (the "Assignee"), as Collateral Agent pursuant to that certain Collateral Agreement dated as of the date hereof between the Assignee and each of the Grantors (the "Security Agreement"), and pursuant to that certain Superpriority Secured Debtor-In-Possession Credit Agreement, dated as of December 4, 2009 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement") among Quality Home Brands Holdings LLC, a Delaware limited liability company, as a debtor and debtor in possession, as the Borrower, QHB Holdings LLC, a Delaware limited liability company, as a debtor and debtor in possession ("Holdings"), the Lenders from time to time party thereto and BNP Paribas as Administrative Agent and Collateral Agent.

Capitalized terms not otherwise defined herein have the respective meanings ascribed to them in the Security Agreement or the Credit Agreement, as applicable.

WHEREAS, pursuant to the Security Agreement, each Grantor is granting a security interest to the Assignee in certain Collateral, including the Trademarks set forth on Schedule A hereto.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each of the Grantors and the Assignee hereby agree as follows:

11. Grant of Security Interest

(a) Each Grantor hereby grants to Assignee, for the benefit of the Secured Parties, a security interest in all Trademarks, to the extent of such Grantor's right, title or interest therein, now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time in the future may acquire any right, title or interest, as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of all of the Obligations.

(b) Schedule A hereto contains a true and accurate list of all of each Grantor's United States Trademark applications and registrations.

(c) The security interest granted hereby is granted in conjunction with the security interest granted to the Assignee under the Security Agreement. The rights and remedies of the Assignee with respect to the security interest granted hereby are in addition to those set forth in the Security Agreement (which is deemed incorporated by reference herein) and those which are now or hereafter available to the Assignee as a matter of law or equity. The exercise by the Assignee of any one or more of the rights, powers or remedies provided for in this Agreement, in the Security Agreement, or now or hereafter existing at law or in equity shall not

preclude the simultaneous or later exercise by any person, including the Assignee, of any or all other rights, powers or remedies.

12. Modifications

This Agreement or any provision hereof may not be changed, waived, or terminated except in accordance with the amendment provisions of the Security Agreement. Notwithstanding the foregoing, each Grantor authorizes the Assignee, upon notice to such Grantor, to modify this Agreement in the name of and on behalf of such Grantor without obtaining such Grantor's signature to such modification, to the extent that such modification constitutes an amendment of Schedule A, to add any right, title or interest in any Trademark owned or subsequently acquired by such Grantor. Each Grantor additionally agrees to execute any additional agreement or amendment hereto as may be required by the Assignee from time to time, to subject any such owned or subsequently acquired right, title or interest in any Trademark to the liens and perfection created or contemplated hereby or by the Security Agreement.

13. 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 LAWS OF THE STATE OF NEW YORK.

14. Successors and Assigns

This Agreement shall be binding upon the successors and assigns of each Grantor and shall inure to the benefit of the Secured Parties and their successors and assigns; provided that no Grantor may assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Assignee and, unless so consented to, each such assignment, transfer or delegation by any Grantor shall be void.

15. Counterparts

This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be duly executed and delivered as of the date first above written.

GRANTORS:

QUALITY HOME BRANDS HOLDINGS LLC

By:_____
Name:
Title:

QHB HOLDINGS LLC

By:_____
Name:
Title:

GENERATION BRANDS LLC

By:_____
Name:
Title:

MURRAY FEISS IMPORT LLC

By:_____
Name:
Title:

LOCUST GP LLC
By: Generation Brands LLC,
its sole member

By:_____
Name:
Title:

LPC MANAGEMENT, L.L.C.

By:_____
Name:
Title:

LIGHT PROCESS COMPANY, L.P.
By: LPC Management, L.L.C.,
its general partner

By:_____
Name:
Title:

SEA GULL LIGHTING PRODUCTS LLC

By:_____
Name:
Title:

WOODCO LLC

By:_____
Name:
Title:

TECH L ENTERPRISES, INC.

By:_____
Name:
Title:

TECH LIGHTING L.L.C.

By:_____
Name:
Title:

LBL LIGHTING LLC

By:_____
Name:
Title:

TECH L HOLDINGS, INC.

By:_____
Name:
Title:

ASSIGNEE:

BNP PARIBAS,
as Collateral Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

Schedule A to TRADEMARK SECURITY AGREEMENT

Mark	Reg. No. / Ser. No.	Grantor

Annex IV
to
Collateral Agreement

This PLEDGE SUPPLEMENT, dated as of _____, is delivered by _____, a _____ (the "Grantor") pursuant to the Collateral Agreement, dated as of December [__], 2009 (as it may be from time to time amended, restated, amended and restated, modified or supplemented, the "Collateral Agreement"), among Quality Home Brands Holdings LLC, a Delaware limited liability company (the "Borrower"), QHB Holdings LLC, a Delaware limited liability company ("Holdings"), the other Grantors named therein, and BNP Paribas, as the Collateral Agent. Capitalized terms used herein not otherwise defined herein shall have the meanings ascribed thereto in the Collateral Agreement.

Grantor hereby confirms the grant to the Collateral Agent set forth in the Collateral Agreement of, and does hereby grant to the Collateral Agent, a security interest in all of Grantor's right, title and interest in and to all Collateral to secure the Obligations, in each case whether now or hereafter existing or in which Grantor now has or hereafter acquires an interest and wherever the same may be located. Grantor represents and warrants that the attached Supplements to Schedules accurately and completely set forth all additional information required pursuant to the Collateral Agreement and hereby agrees that such Supplements to Schedules shall constitute part of the Schedules to the Collateral Agreement.

IN WITNESS WHEREOF, Grantor has caused this Pledge Supplement to be duly executed and delivered by its duly authorized officer as of _____.

[NAME OF GRANTOR]

By:_____
Name:
Title:

EXHIBIT D-2

FORM OF GUARANTEE AND COLLATERAL AGREEMENT

GUARANTEE AND COLLATERAL AGREEMENT

made by

QHB HOLDINGS LLC,

QUALITY HOME BRANDS HOLDINGS LLC

and certain of its Subsidiaries

in favor of

BNP PARIBAS,
as Collateral Agent

and

BNP PARIBAS,
as Administrative Agent

Dated as of [_____], 2009

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SCHEDULES

ANNEXES

GUARANTEE AND COLLATERAL AGREEMENT, dated as of [_____], 2009, made by Quality Home Brands Holdings LLC, a Delaware limited liability company (the "Borrower"), QHB Holdings LLC, a Delaware limited liability company ("Holdings") and each of the other signatories hereto (together with any other entity that may become a party hereto as provided herein the "Subsidiary Guarantors" and together with the Borrower and Holdings, the "Grantors"), in favor of BNP Paribas, as collateral agent (in such capacity, together with its successors and assigns, the "Collateral Agent") and administrative agent (in such capacity, together with its successors and assigns, the "Administrative Agent") for the banks, financial institutions and other entities (the "Lenders") from time to time party as Lenders to the Superpriority Secured Debtor-In-Possession Credit Agreement, dated as of December 4, 2009 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among Holdings, the Borrower, the Lenders and the Administrative Agent.

RECITALS

A. Pursuant to the Credit Agreement, the Lenders have severally agreed to make extensions of credit to the Borrower upon the terms and subject to the conditions set forth therein;

B. The proceeds of the extensions of credit under the Credit Agreement will be used in part to enable the Borrower to make valuable transfers to one or more of the other Grantors in connection with the operation of their respective businesses;

D. The Borrower and the other Grantors are engaged in related businesses, and each Grantor will derive substantial direct and indirect benefit from the making of the extensions of credit under the Credit Agreement and the providing of financial accommodation under the Specified Cash Management Agreements; and

E. It is a condition precedent to the obligation of the Lenders to make their respective extensions of credit to the Borrower under the Credit Agreement and of the Qualified Counterparties to provide financial accommodation under the Specified Cash Management Agreements that the Grantors shall have executed and delivered this Agreement to the Collateral Agent for the benefit of the Secured Parties.

NOW, THEREFORE, in consideration of the premises and to induce the Agents and the Lenders to enter into the Credit Agreement and to induce the Lenders to make their respective extensions of credit to the Borrower thereunder and to induce the Qualified Counterparties to enter into the Specified Cash Management Agreements and provide financial accommodation, each Grantor hereby agrees with the Collateral Agent, for the benefit of the Secured Parties, as follows:

SECTION 1. DEFINED TERMS

1.1. Definitions.

(a) Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement, and the following terms are used herein as defined in the New York UCC (and if defined in more than one Article of the New York UCC, shall have the meaning given in Article 8 or 9 thereof): Accounts, Certificated Security, Chattel Paper, Commercial Tort Claims, Commodity Accounts, Deposit Accounts, Documents, Electronic Chattel Paper, Equipment, Farm Products, Fixtures, General Intangibles, Goods, Instruments, Inventory, Letter-of-Credit Rights, Money, Negotiable Documents, Securities Accounts, Securities Entitlements, Supporting Obligations, Tangible Chattel Paper and Uncertificated Security.

(b) The following terms shall have the following meanings:

"Agreement": this Guarantee and Collateral Agreement.

"Borrower Credit Agreement Obligations": the unpaid principal of and interest on the Loans and Reimbursement Obligations under the Credit Agreement and all other obligations and liabilities of the Borrower to any Agent, Lender, Qualified Counterparty or Indemnitee, 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, the Credit Agreement, this Agreement or the other Loan Documents, any Letter of Credit or any other document made, delivered or given in connection therewith or pursuant thereto, in each case whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including, without limitation, attorney's fees and legal expenses) or otherwise (including interest accruing at the then applicable rate provided in the Credit Agreement after the maturity of the Loans and Reimbursement Obligations and interest accruing at the then applicable rate provided in the Credit Agreement after the commencement of any bankruptcy case or insolvency, reorganization, liquidation or like proceeding relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding and all expense reimbursement and indemnity obligations arising or incurred as provided in the Loan Documents after the commencement of any such case or proceeding, whether or not a claim for such obligations is allowed in such case or proceeding).

"Borrower Obligations": the collective reference to (i) the Borrower Credit Agreement Obligations and all other obligations and liabilities of the Borrower, 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 (including, without limitation, all fees and disbursements of counsel to the Secured Parties that are required to be paid by the Borrower pursuant to the terms of this Agreement.

"Collateral": as defined in Section 3.

"Collateral Account": any collateral account established by the Collateral Agent as provided in Sections 6.1 or 6.4.

"Copyright Licenses": with respect to any Grantor, all agreements (whether or not in writing) naming such Grantor as licensor or licensee (including those agreements listed in Schedule 6), granting any right under any Copyright, including the grant of rights to print, publish, copy, distribute, exploit and sell materials derived from any Copyright, subject in each case, to the terms of such agreements, and the right to prepare for sale, sell and advertise for sale, all Inventory now or hereafter covered by such agreements.

"Copyrights": (i) all United States and foreign copyrights, whether or not the underlying works of authorship have been published, and all copyright registrations and copyright applications, and any renewals or extensions thereof, including each registration identified on Schedule 6, (ii) the right to sue or otherwise recover for any and all past, present and future infringements thereof, (iii) all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all licenses entered into in connection therewith, and damages and payments for past, present or future infringements thereof), and (iv) all other rights of any kind whatsoever accruing thereunder or pertaining thereto.

"Excluded Perfection Assets": (i) any Vehicle individually having a value less than $100,000 individually or $1,000,000 in the aggregate for all Vehicles, (ii) any foreign Intellectual Property, (iii) Goods included in Collateral received by any Person for "sale or return within the meaning

of Section 2-326 of the Uniform Commercial Code of the applicable jurisdiction, to the extent of claims of creditors of such Person, (iv) Money (other than the proceeds of other Collateral in which the Collateral Agent has a perfected security interest under Section 9-315 of the New York UCC) which has not been transferred to or deposited in the Collateral Account (if any) or any Deposit Account, Securities Account or Commodities Account in which the Collateral Agent has a perfected security interest, (v) other than any foreign Intellectual Property and any Pledged Stock, any Collateral the aggregate value of which shall not exceed at any time $100,000 and for which the perfection of Liens thereon requires filings in or other actions under the laws of jurisdictions outside the United States, (vi) any Deposit Account of a Grantor containing less than $15,000 individually and less than $100,000 in the aggregate for all Grantors, and (vii) Capital Stock of Locust East 140th Street L.P. and MF Real Estate LLC.

"Foreign Subsidiary Voting Stock": the voting Capital Stock of any Foreign Subsidiary.

"Guarantors": Holdings and each of the Subsidiary Guarantors.

"Guarantor Obligations": with respect to any Guarantor, all obligations and liabilities of such Guarantor which may arise under or in connection with this Agreement (including Section 2) or any other Loan Document to which such Guarantor is a party, in each case whether on account of guarantee obligations, reimbursement obligations, fees, indemnities, costs, expenses or otherwise (including all expense reimbursement and indemnity obligations arising or incurred as provided in the Loan Documents after the commencement of any bankruptcy case or insolvency, reorganization, liquidation or like proceeding, whether or not a claim for such obligations is allowed in such case or proceeding).

"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 all Copyrights, Copyright Licenses, Patents, Patent Licenses, Trademarks, Trademark Licenses, Trade Secrets, and Trade Secret Licenses, technology, know-how and processes, and all rights to sue at law or in equity for any past, present and future infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

"Intercompany Note": any promissory note evidencing loans or other monetary obligations owing to any Grantor by any Group Member.

"Investment Property": the collective reference to (i) all "investment property" as such term is defined in Section 9-102(a)(49) of the New York UCC (other than any Foreign Subsidiary Voting Stock excluded from the definition of "Pledged Stock") and (ii) whether or not constituting "investment property" as so defined, all Pledged Notes and all Pledged Equity Interests.

"Issuers": the collective reference to each issuer of any Investment Property purported to be pledged hereunder.

"Material Contracts": the contracts and agreements listed in Schedule 7, and all contracts entered into in the future, the termination of which would cause a Material Adverse Effect, as the same may be amended, supplemented, replaced or otherwise modified from time to time, including, without limitation, (i) all rights of any Grantor to receive moneys due and to become due to it thereunder or in connection therewith, (ii) all rights of any Grantor to receive proceeds of any insurance, indemnity, warranty or guaranty with respect thereto, (iii) all rights of any Grantor to damages arising thereunder and (iv) all rights of any Grantor to terminate, and to perform and compel performance of, such Material Contracts and to exercise all remedies thereunder.

"New York UCC": the Uniform Commercial Code as from time to time in effect in the State of New York.

"Obligations": the Borrower Obligations and the Guarantor Obligations.

"Ordinary Course Transferees": (i) with respect to Goods only, buyers in the ordinary course of business and lessees in the ordinary course of business to the extent provided in Section 9-320(a) and 9-321 of the Uniform Commercial Code as in effect from time to time in the relevant jurisdiction and (ii) with respect to General Intangibles only, licensees in the ordinary course of business to the extent provided in Section 9-321 of the Uniform Commercial Code as in effect from time to time in the relevant jurisdiction.

"Organizational Documents": as to any Person, its certificate or articles of incorporation and by-laws if a corporation, or its certificate of formation and its partnership agreement if a partnership, its limited liability company agreement if a limited liability company, or other organizational or governing documents of such person.

"Patent License": with respect to any Grantor, all agreements (whether or not in writing) providing for the grant by or to such Grantor of any right to manufacture, use, import, export, distribute, offer for sale or sell any invention covered in whole or in part by a Patent (including those agreements listed on Schedule 6), subject in each case, to the terms of such agreements, and the right to prepare for sale, sell and advertise for sale, all Inventory now or hereafter covered by such agreements.

"Patents": (i) all United States and foreign patents, patent applications and patentable inventions, including, without limitation, each issued patent and patent application identified on Schedule 6, (ii) all inventions and improvements described and claimed therein, (iii) the right to sue or otherwise recover for any and all past, present and future infringements thereof, (iv) all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including payments under all licenses entered into in connection therewith, and damages and payments for past, present or future infringements thereof), and (v) all reissues, divisions, continuations, continuations-in-part, substitutes, renewals, and extensions thereof, all improvements thereon and all other rights of any kind whatsoever accruing thereunder or pertaining thereto.

"Pledged Alternative Equity Interests": all participation or other interests in any equity or profits of any business entity and the certificates, if any, representing such interests all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such interests and any other warrant, right or option to acquire any of the foregoing; provided, however, that Pledged Alternative Equity Interests shall not include any Pledged Notes, Pledged Stock, Pledged Partnership Interests, and Pledged LLC Interests.

"Pledged Equity Interests": all Pledged Stock, Pledged LLC Interests, Pledged Partnership Interests and Pledged Alternative Equity Interests.

"Pledged LLC Interests": all interests owned, directly or indirectly, by any Grantor in any limited liability company (including those listed on Schedule 2) other than MF Real Estate LLC and the certificates, if any, representing such limited liability company interests so long as any Indebtedness remains outstanding under the JPMorgan Loan Documents and any interest of any Grantor on the books and records of such limited liability company or on the books and records of any securities intermediary pertaining to such interest and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed

in respect of or in exchange for any or all of such limited liability company interests and any other warrant, right or option to acquire any of the foregoing.

"Pledged Notes": all promissory notes at any time issued to or owned, held or acquired by any Grantor including, without limitation, all Intercompany Notes at any time issued to any Grantor (including those listed on Schedule 2).

"Pledged Partnership Interests": all interests owned, directly or indirectly, by any Grantor in any general partnership, limited partnership, limited liability partnership or other partnership (including those listed on Schedule 2) other than Locust East 140th Street L.P. and the certificates, if any, representing such partnership interests so long as any Indebtedness remains outstanding under the JPMorgan Loan Documents and any interest of the Borrower on the books and records of such partnership or on the books and records of any securities intermediary pertaining to such interest and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such partnership interests and any other warrant, right or option to acquire any of the foregoing.

"Pledged Stock": all shares, stock certificates, options, interests or rights of any nature whatsoever in respect of the Capital Stock of any Person (including those listed on Schedule 2) at any time issued or granted to or owned, held or acquired by any Grantor, and the certificates, if any, representing such shares and any interest of such Grantor in the entries on the books of the issuer of such shares or on the books of any securities intermediary pertaining to such shares, and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such shares and any other warrant, right or option to acquire any of the foregoing; provided that in no event shall more than 65% of the total outstanding Foreign Subsidiary Voting Stock of any Foreign Subsidiary be subject to the security interests granted hereby.

"Proceeds": all "proceeds" as such term is defined in Section 9-102(a)(64) of the New York UCC, including, in any event, all dividends, returns of capital and other distributions from Investment Property and all collections thereon and payments with respect thereto.

"Receivable": any right to payment for goods sold or leased or for services rendered, whether or not such right is evidenced by an Instrument or Chattel Paper and whether or not it has been earned by performance (including all Accounts).

"Secured Parties": the Collateral Agent, the Administrative Agent, the Term Lenders, the Revolving Lenders, the Issuing Lender, the Swingline Lender and Indemnitees and, with respect to any Specified Cash Management Agreement, any Qualified Counterparty party thereto and each of their respective successors and transferees.

"Securities Act": the Securities Act of 1933, as amended.

"Trade Secret License": with respect to any Grantor, any agreement, whether written or oral, providing for the grant by or to such Grantor of any right to use any Trade Secret, including any of the foregoing agreements referred to in Schedule 6, subject in each case, to the terms of such agreements, and the right to prepare for sale, sell and advertise for sale, all Inventory now or hereafter covered by such agreements.

"Trade Secrets": (i) all trade secrets and all confidential information, (ii) the right to sue or otherwise recover for any and all past, present and future misappropriations thereof, (iii) all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including payments under all licenses entered into in connection therewith, and damages and payments for past, present or future misappropriations thereof), and (iv) all other rights of any kind whatsoever accruing thereunder or pertaining thereto.

"Trademark License": with respect to any Grantor, any agreement (whether or not in writing) providing for the grant by or to such Grantor of any right to use any Trademark (including those agreements listed on Schedule 6), subject in each case, to the terms of such agreements, and the right to prepare for sale, sell and advertise for sale, all Inventory now or hereafter covered by such agreements.

"Trademarks": (i) all United States, state and foreign trademarks, service marks, trade names, domain names, corporate names, company names, business names, trade dress, trade styles, logos, or other indicia of origin or source identification, and all registrations of and applications to register the foregoing and any new renewals thereof, including each registration and application identified in Schedule 6, (ii) the right to sue or otherwise recover for any and all past, present and future infringements and dilutions thereof, (iii) all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including payments under all licenses entered into in connection therewith, and damages and payments for past, present or future infringements and dilutions thereof), and (iv) all other rights of any kind whatsoever accruing thereunder or pertaining thereto, together in each case with the goodwill of the business connected with the use of, and symbolized by, each of the above.

"UETA": the Uniform Electronic Transaction Act, as in effect in the applicable jurisdiction.

"Vehicles": all cars, trucks, trailers, construction and earth moving equipment and other vehicles, vessels and aircrafts covered by a certificate of title law of any jurisdiction and all appurtenances thereto.

"Wachovia Account": account number 2000650702510 established by Seagull Lighting Products LLC (f/k/a Seagull Lighting Products, Inc.), at Wachovia Bank, National Association.

1.2. Other Definitional Provisions.

(a) As used herein and in any certificate or other document made or delivered pursuant hereto, (i) accounting terms relating to any Group Member not defined in Section 1.1 and accounting terms partly defined in Section 1.1, to the extent not defined, shall have the respective meanings given to them under GAAP, (ii) the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation", (iii) the word "incur" shall be construed to mean incur, create, issue, assume, become liable in respect of or suffer to exist (and the words "incurred" and "incurrence" shall have correlative meanings), and (iv) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties of every type and nature, and (v) 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 (subject to any applicable restrictions hereunder).

(b) The words "hereof," "herein", "hereto" 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 Section and Schedule references are to this Agreement unless otherwise specified.

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

(d) Where the context requires, terms relating to the Collateral or any part thereof, when used in relation to a Grantor, shall refer to such Grantor's Collateral or the relevant part thereof.

(e) The expressions "payment in full," "paid in full" and any other similar terms or phrases when used herein with respect to any Obligation shall mean the payment in full of such Obligation in cash in immediately available funds.

SECTION 2. GUARANTEE

2.1. Guarantee.

(a) Each of the Guarantors hereby, jointly and severally, unconditionally and irrevocably, guarantees to the Administrative Agent, for the benefit of the Secured Parties, the prompt and complete payment and performance by the Borrower when due (whether at the stated maturity, by acceleration or otherwise) of each and all of the Borrower Obligations.

(b) Each Guarantor shall be liable under its guarantee set forth in Section 2.1(a), without any limitation as to amount, for all present and future Borrower Obligations, including specifically all future increases in the outstanding amount of the Loans or Reimbursement Obligations under the Credit Agreement and other future increases in the Borrower Obligations, whether or not any such increase is committed, contemplated or provided for by the Loan Documents on the date hereof; provided, that (i) enforcement of such guarantee against such Guarantor will be limited as necessary to limit the recovery under such guarantee to the maximum amount which may be recovered without causing such enforcement or recovery to constitute a fraudulent transfer or fraudulent conveyance under any applicable law, including any applicable federal or state fraudulent transfer or fraudulent conveyance law (giving effect, to the fullest extent permitted by law, to the reimbursement and contribution rights set forth in Section 2.2) and (ii) to the fullest extent permitted by applicable law, the foregoing clause (i) shall be for the benefit solely of creditors and representatives of creditors of each Guarantor and not for the benefit of such Guarantor or the holders of any equity interest in such Guarantor.

(c) The guarantee contained in this Section 2.1(i) shall remain in full force and effect until all the Borrower Obligations and the obligations of each Guarantor under the guarantee contained in this Section 2.1 have been paid in full, no Letter of Credit is outstanding and all commitments to extend credit under the Credit Agreement have terminated, notwithstanding that from time to time during the term of the Credit Agreement the Borrower may be free from any Borrower Obligations, (ii) unless released as provided in clause (iii) below, shall survive the repayment of the Loans and Reimbursement Obligations under the Credit Agreement, the termination of commitments to extend credit under the Credit Agreement, and the release of the Collateral and remain enforceable as to all Borrower Obligations that survive such repayment, termination and release and (iii) shall be released when and as set forth in Section 8.15(b).

(d) No payment made by the Borrower, any of the Guarantors, any other guarantor or any other Person or received or collected by any Secured Party 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

Borrower Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of any Guarantor hereunder in respect of any other Borrower Obligations then outstanding or thereafter incurred (other than to the extent such reduction reduces the Borrower Obligations).

2.2. Reimbursement, Contribution and Subrogation. In case any payment is made on account of the Borrower Obligations by any Grantor or is received or collected on account of the Borrower Obligations from any Grantor or its property:

(a) If such payment is made by the Borrower or from its property, the Borrower shall not be entitled (i) to demand or enforce reimbursement or contribution in respect of such payment from any other Grantor or (ii) to be subrogated to any claim, interest, right or remedy of any Secured Party against any other Person, including any other Grantor or its property.

(b) If such payment is made by the Borrower or from its property or if any payment is made by the Borrower or from its property in satisfaction of the reimbursement right of any Subsidiary Guarantor set forth in Section 2.2(c), the Borrower shall not be entitled (i) to demand or enforce reimbursement or contribution in respect of such payment from any other Grantor or (ii) to be subrogated to any claim, interest, right or remedy of any Secured Party against any other Person, including any other Grantor or its property.

(c) If such payment is made by a Guarantor or from its property, such Guarantor shall be entitled, subject to and upon payment in full of all outstanding Obligations, discharge of all Letters of Credit and termination of all commitments to extend credit under the Loan Documents, (i) to demand and enforce reimbursement for the full amount of such payment from the Borrower and (ii) to demand and enforce contribution in respect of such payment from each other Guarantor which has not paid its fair share of such payment, as necessary to ensure that (after giving effect to any enforcement of reimbursement rights provided hereby) each Guarantor pays its fair share of the unreimbursed portion of such payment. For this purpose, the fair share of each Guarantor as to any unreimbursed payment shall be determined based on an equitable apportionment of such unreimbursed payment among all Guarantors based on the relative value of their assets (net of their liabilities, other than Obligations) and any other equitable considerations deemed appropriate by the court.

(d) If and whenever any right of reimbursement or contribution becomes enforceable by any Guarantor against any other Grantor under Section 2.2(c), such Guarantor shall be entitled, subject to and upon payment in full of all outstanding Obligations, discharge of all Letters of Credit and termination of all commitments to extend credit under the Loan Documents to be subrogated (equally and ratably with all other Guarantors entitled to reimbursement or contribution from any other Grantor under Section 2.2(c)) to any security interest that may then be held by the Collateral Agent upon any Collateral granted to it in this Agreement. To the fullest extent permitted under applicable law, such right of subrogation shall be enforceable solely against the Grantors, and not against the Secured Parties, and neither the Administrative Agent nor any other Secured Party shall have any duty whatsoever to warrant, ensure or protect any such right of subrogation or to obtain, perfect, maintain, hold, enforce or retain any Collateral for any purpose related to any such right of subrogation. If subrogation is demanded in writing by any Grantor, then (subject to and upon payment in full of all outstanding Obligations, discharge of all Letters of Credit and termination of all commitments to extend credit under the Loan Documents) the Administrative Agent shall deliver to the Grantors making such demand, or to a representative of such Grantors or of the Grantors generally, an instrument reasonably satisfactory to such Grantors transferring, on a quitclaim basis without (to the fullest extent permitted under applicable law) any recourse, representation, warranty or obligation whatsoever, whatever security interest the Administrative Agent then may hold in whatever Collateral may then exist that was not previously released or disposed of by the Administrative Agent.

(e) All rights and claims arising under this Section 2.2 or based upon or relating to any other right of reimbursement, indemnification, contribution or subrogation that may at any time arise or exist in favor of any Grantor as to any payment on account of the Obligations made by it or received or collected from its property shall be fully subordinated in all respects to the prior payment in full of all of the Obligations. Until payment in full of the Obligations, discharge of all Letters of Credit and termination of all commitments to extend credit under the Loan Documents, no Grantor shall demand or receive any collateral security, payment or distribution whatsoever (whether in cash, property or securities or otherwise) on account of any such right or claim. If any such payment or distribution is made or becomes available to any Grantor in any bankruptcy case or receivership, insolvency or liquidation proceeding, such payment or distribution shall be delivered by the person making such payment or distribution directly to the Administrative Agent, for application to the payment of the Obligations. If any such payment or distribution is received by any Grantor, it shall be held by such Grantor in trust, as trustee of an express trust for the benefit of the Secured Parties, and shall forthwith be transferred and delivered by such Grantor to the Administrative Agent, in the exact form received and, if necessary, duly endorsed.

(f) The obligations of the Grantors under the Loan Documents, including their liability for the Obligations and the enforceability of the security interests granted thereby, are not contingent upon the validity, legality, enforceability, collectibility or sufficiency of any right of reimbursement, contribution or subrogation arising under this Section 2.2. To the fullest extent permitted under applicable law, the invalidity, insufficiency, unenforceability or uncollectibility of any such right shall not in any respect diminish, affect or impair any such obligation or any other claim, interest, right or remedy at any time held by any Secured Party against any Grantor or its property. The Secured Parties make no representations or warranties in respect of any such right and shall, to the fullest extent permitted under applicable law, have no duty to assure, protect, enforce or ensure any such right or otherwise relating to any such right.

(g) Each Grantor reserves any and all other rights of reimbursement, contribution or subrogation at any time available to it as against any other Grantor, but (i) the exercise and enforcement of such rights shall be subject to this Section 2.2 and (ii) to the fullest extent permitted by applicable law, neither the Administrative Agent nor any other Secured Party shall ever have any duty or liability whatsoever in respect of any such right.

2.3. Amendments, etc. with respect to the Borrower Obligations. To the fullest extent permitted by applicable law, 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 Borrower Obligations made by any Secured Party may be rescinded by such Secured Party and any of the Borrower Obligations continued, and the Borrower 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 any Secured Party, and the Credit Agreement and the other Loan Documents and any other documents executed and delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, as the Administrative Agent (or the requisite Secured Parties) may deem advisable from time to time, and any collateral security, guarantee or right of offset at any time held by any Secured Party for the payment of the Borrower Obligations may be sold, exchanged, waived, surrendered or released. No Secured Party shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Borrower Obligations or for the guarantee contained in this Section 2 or any property subject thereto, except to the extent required by applicable law.

2.4. Guarantee Absolute and Unconditional. To the fullest extent permitted by applicable law, each Guarantor waives any and all notice of the creation, renewal, extension or accrual of any of the Borrower Obligations and notice of or proof of reliance by any Secured Party upon the guarantee contained in this Section 2 or acceptance of the guarantee contained in this Section 2. The Borrower Obligations, and each 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 2. All dealings between the Borrower and any of the Guarantors, on the one hand, and the Secured Parties, on the other hand, likewise shall be conclusively presumed to have been had or consummated in reliance upon the guarantee contained in this Section 2. To the fullest extent permitted by applicable law, 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 Borrower Obligations. Each Guarantor understands and agrees that the guarantee contained in this Section 2 shall be construed, to the fullest extent permitted by applicable law, as a continuing, absolute and unconditional guarantee of payment without regard to (a) the validity or enforceability of the Credit Agreement or any other Loan Document, any of the Borrower 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 any Secured Party, (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 any Secured Party, or (c) any other circumstance whatsoever (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 Borrower Obligations or of such Guarantor under the guarantee contained in this Section 2, in bankruptcy or in any other instance. When making any demand hereunder or otherwise pursuing its rights and remedies hereunder against any Guarantor, any Secured Party 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 Borrower Obligations or any right of offset with respect thereto, and any failure by any Secured Party 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 any Secured Party against any Guarantor. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

2.5. Reinstatement. The guarantee contained in this Section 2 shall be reinstated and shall remain in all respects enforceable to the extent that, at any time, any payment of any of the Borrower Obligations is set aside, avoided or rescinded or must otherwise be restored or returned by any Secured Party 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, in whole or in part, and such reinstatement and enforceability shall, to the fullest extent permitted by applicable law, be effective as fully as if such payment had not been made.

2.6. Payments. Each Guarantor hereby agrees to pay all amounts payable by it under this Section 2 to the Administrative Agent without set-off or counterclaim in Dollars in immediately available funds at the Funding Office specified in the Credit Agreement.

SECTION 3. GRANT OF SECURITY INTEREST

Each Grantor hereby grants to the Collateral Agent, for the benefit of the Secured Parties, a security interest in all of such Grantor's right, title or interest in all of the following property now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time in the future may acquire any right, title or interest (collectively, the "Collateral"), as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of all Obligations:

(a) all Accounts;

(b) all Chattel Paper;

(c) all Deposit Accounts;

(d) all Documents;

(e) all Equipment (whether or not constituting Fixtures);

(f) all General Intangibles;

(g) all Instruments;

(h) all Intellectual Property, to the extent of each Grantor's right, title or interest therein (except for "intent-to-use" applications for trademark or service mark registrations filed pursuant to Section 1(b) of the Lanham Act, 15 U.S.C. § 1051, unless and until an Amendment to Allege Use or a Statement of Use under Sections 1(c) and 1(d) of said Act has been filed);

(i) all Inventory;

(j) all Investment Property;

(k) all Letter-of-Credit Rights;

(l) all Money;

(m) all Vehicles and certificates of title with respect to Vehicles;

(n) all Commercial Tort Claims described in Schedule 9 hereto (as such schedule may be supplemented from time to time);

(o) all Capital Stock, Goods, insurance and other personal property not otherwise described above;

(p) all Supporting Obligations and products of any and all of the foregoing and all Guarantee Obligations, Liens and claims supporting, securing or in any respect relating to any of the foregoing;

(q) all books and records (regardless of medium) pertaining to any of the foregoing; and

(r) all Proceeds of any of the foregoing;

provided, that (i) this Agreement shall not constitute a grant of a security interest in any property to the extent that and for as long as such grant of a security interest (A) is prohibited by any Requirement of Law, (B) requires a filing with or consent from any Governmental Authority pursuant to any Requirement of Law that has not been made or obtained, (C) constitutes a breach or default under or results in the termination of, or requires any consent not obtained under, any lease, license or agreement, except to the extent that such Requirement of Law or provisions of any such lease, license or agreement is ineffective under applicable law or would be ineffective under Sections 9-406, 9-407, 9-408 or 9-409 of the New York UCC to prevent the attachment of the security interest granted hereunder or (D) is in Capital Stock which is specifically excluded from the definition of Pledged Stock by virtue of the proviso to such definition; (ii) the security interest granted hereby (x) shall attach at all times to all proceeds of such property, (y) shall attach to such property immediately and automatically (without need for any further grant or act) at such time as the condition described in clause (i) ceases to exist and (z) to the extent severable shall in any event attach to all rights in respect of such property that are not subject to the applicable condition described in clause (i) and (iii) this Agreement shall not constitute a grant of a security interest in the Capital Stock of MF Real Estate LLC or Locust East 140th Street L.P. so long as such Capital Stock secures obligations under the JPMorgan Loan Documents.

SECTION 4. REPRESENTATIONS AND WARRANTIES

Each Grantor hereby represents and warrants to each Secured Party that:

4.1. Representations in Credit Agreement. In the case of each Guarantor, the representations and warranties set forth in Section 5 of the Credit Agreement as they relate to such Guarantor or to the Loan Documents to which such Guarantor is a party, each of which is hereby incorporated herein by reference, are true and correct in all material respects, and each Secured Party shall be entitled to rely on each of them as if they were fully set forth herein; provided that each reference in each such representation and warranty to the Borrower's knowledge shall, for the purposes of this Section 4.1, be deemed to be a reference to such Subsidiary Guarantor's knowledge.

4.2. Title; No Other Liens. Except for the security interest granted to the Collateral Agent for the benefit of the Secured Parties pursuant to this Agreement and the other Liens permitted to exist on such Grantor's Collateral by the Credit Agreement, such Grantor owns each item of Collateral granted by it free and clear of any and all Liens. No financing statement or other public notice with respect to all or any part of the Collateral is on file or of record in any public office, except such as have been filed in favor of the Collateral Agent, for the benefit of the Secured Parties, pursuant to this Agreement or in respect of Liens that are permitted by the Credit Agreement or any other Loan Document or for which termination statements will be delivered on the Closing Date.

4.3. Perfected First Priority Liens.

(a) Upon completion of the filings and other actions specified on Schedule 4 (which, in the case of all filings and other documents referred to on said Schedule, have been delivered to the Collateral Agent in completed and, where required, duly executed form) and the obtaining and maintenance of "control" (within the meaning of Section 8-106 and 9-104 of the New York UCC) by the Collateral Agent of all Deposit Accounts, the security interests granted in Section 3 will constitute valid perfected security interests in all of the Collateral (except for Excluded Perfection Assets) in favor of the Collateral Agent, for the benefit of the Secured Parties, as collateral security for the Obligations, enforceable in accordance with the terms hereof against all creditors of such Grantor and any Persons purporting to purchase any such Collateral from such Grantor other than Ordinary Course Transferees and is and will be prior to all other Liens on such Collateral except for Liens permitted by the Credit Agreement which have priority over the Liens on such Collateral by operation of law. Without limiting

the foregoing and except as otherwise permitted or provided in Section 5 hereof, each Grantor has taken all actions necessary or desirable to: (i) establish the Collateral Agent's "control" (within the meanings of Sections 8-106 and 9-106 of the New York UCC) over any portion of the Investment Property constituting Certificated Securities, Uncertificated Securities, Securities Accounts, Securities Entitlements or Commodity Accounts (each as defined in the New York UCC), (ii) establish the Collateral Agent's "control" (within the meaning of Section 9-104 of the New York UCC) over all Deposit Accounts of such Grantor, (iii) establish the Collateral Agent's "control" (within the meaning of Section 9-107 of the New York UCC) over all Letter of Credit Rights of such Grantor, (iv) establish the Collateral Agent's control (within the meaning of Section 9-105 of the New York UCC) over all Electronic Chattel Paper of such Grantor and (v) establish the Collateral Agent's "control" (as defined in UETA) over all "transferable records" (as defined in UETA) of such Grantor.

(b) Each Grantor consents to the grant by each other Grantor of the security interests granted hereby and the transfer of any Capital Stock or Investment Property to the Collateral Agent or its designee on the occurrence and continuance of an Event of Default and to the substitution of the Collateral Agent or its designee or the purchaser upon any foreclosure sale as the holder and beneficial owner of the interest represented thereby.

4.4. Jurisdiction of Organization; Chief Executive Office. On the date hereof, such Grantor's exact legal name, jurisdiction of organization, organizational identification number from the jurisdiction of organization (if any), and the location of such Grantor's chief executive office or sole place of business or principal residence, as the case may be, are specified on Schedule 3. On the date hereof, such Grantor is organized solely under the law of the jurisdiction so specified and has not filed any certificates of domestication, transfer or continuance in any other jurisdiction. Except as otherwise indicated on Schedule 3, the jurisdiction of such Grantor's organization or formation is required to maintain a public record showing the Grantor to have been organized or formed. On the date hereof, except as specified on Schedule 3, such Grantor has not changed its name, jurisdiction of organization, chief executive office or sole place of business or its corporate or organizational form in any way (e.g. by merger, consolidation, change in corporate form or otherwise) within the past five years and has not within the last five years become bound (whether as a result of merger or otherwise) as grantor under a security agreement entered into by another person, which (x) has not heretofore been terminated or (y) is in respect of a Lien that is not permitted by the Credit Agreement. Such Grantor has furnished to the Collateral Agent its Organizational Documents as in effect as of a date which is recent to the date hereof.

4.5. Inventory and Equipment.

(a) On the date hereof Schedule 5 sets forth all locations where any Inventory and Equipment (other than mobile goods or Inventory in transit in the ordinary course of business) in excess of $1,000,000 in the aggregate in value are kept.

(b) All Inventory now or hereafter produced by any Grantor included in the Collateral has been and will be produced in compliance with the requirements of the Fair Labor Standards Act, as amended.

(c) Except as specifically indicated on Schedule 5, to the knowledge of such Grantor none of the Inventory or Equipment of such Grantor with a value in excess of $100,000 is in possession of a bailee.

4.6. Farm Products. None of the Collateral constitutes, or is the Proceeds of, Farm Products.

4.7. Investment Related Property and Deposit Accounts. (a) Schedule 2 hereto (as such schedule may be amended or supplemented from time to time) sets forth under the headings "Pledged Stock," "Pledged LLC Interests" and "Pledged Partnership Interests," all of the Pledged Stock, Pledged LLC Interests and Pledged Partnership Interests, respectively, owned by any Grantor and such Pledged Equity Interests constitute the percentage of issued and outstanding shares of stock, percentage of membership interests, percentage of partnership interests or percentage of beneficial interest of the respective issuers thereof indicated on such schedule. Schedule 2 (as such schedule may be amended or supplemented from time to time) sets forth under the heading "Pledged Notes" all of the Pledged Notes owned by any Grantor and all of such Pledged Notes have been duly authorized, authenticated or issued, and delivered and is the legal, valid and binding obligation of the issuers thereof enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principals of equity, regardless of whether considered in a proceeding in equity or at law, and is not in default and constitutes all of the issued and outstanding inter-company indebtedness evidenced by an instrument or certificated security of the respective issuers thereof owing to such Grantor. Schedule 2 hereto (as such schedule may be amended from time to time) sets forth under the headings "Securities Accounts," "Commodities Accounts," and "Deposit Accounts" respectively, all of the Securities Accounts, Commodities Accounts and Deposit Accounts in which each Grantor has an interest. Each Grantor is the sole entitlement holder or customer of each such account, and no Grantor has consented to or is otherwise aware of any person having "control" (within the meanings of Sections 8-106, 9-106 and 9-104 of the New York UCC) over, or any other interest in, any such Securities Account, Commodity Account or Deposit Account, in each case in which such Grantor has an interest, or any securities, commodities or other property credited thereto other than the Collateral Agent.

(b) The shares of Pledged Equity Interests pledged by such Grantor hereunder constitute all of the issued and outstanding shares of all classes of Equity Interests in each Issuer owned by such Grantor or, in the case of Excluded Foreign Subsidiary Voting Stock, if less, 65% of the outstanding Excluded Foreign Subsidiary Voting Stock of each relevant Issuer.

(c) All the shares of the Pledged Equity Interests have been duly and validly issued and are fully paid and nonassessable.

(d) The terms of all Pledged LLC Interests and Pledged Partnership Interests expressly provide that they are securities governed by Article 8 of the Uniform Commercial Code in effect from time to time in the "issuer's jurisdiction" of each Issuer thereof (as such term is defined in the Uniform Commercial Code in effect in such jurisdiction) and such Pledged LLC Interests and Pledged Partnership Interests are evidenced by certificates.

(e) Such Grantor is the record and beneficial owner of, and has good and marketable title to, the Investment Related Property and Deposit Accounts pledged by it hereunder, free of any and all Liens or options in favor of, or claims of, any other person, except Liens permitted to exist on the Collateral by the Credit Agreement, and there are no outstanding warrants, options or other rights to purchase, or shareholder, voting trust or similar agreements outstanding with respect to, or property that is convertible into, or that requires the issuance or sale of, any Pledged Equity Interests.

4.8. Receivables.

(a) No amount payable to such Grantor under or in connection with any Receivable in excess of $250,000 individually is evidenced by any Instrument or Chattel Paper which has not been delivered to the Collateral Agent.

(b) None of the obligors on any Receivables in excess of $250,000 in the aggregate is a Governmental Authority.

(c) The amounts represented by such Grantor to the Collateral Agent or the other Secured Parties from time to time as owing to such Grantor in respect of such Grantor's Receivables will at such time be the correct amount, in all material respects, actually owing thereunder.

4.9. Intellectual Property.

(a) On the date hereof, Schedule 6 lists all Patents, registrations and applications to register Trademarks and registered Copyrights owned by such Grantor in its own name on the date hereof. Except as set forth in Schedule 6, such Grantor is the exclusive owner of the entire and unencumbered right, title and interest in and to such applications, registrations and issuances.

(b) On the date hereof, all Intellectual Property of such Grantor described on Schedule 6 is subsisting and unexpired and has not been abandoned and is valid and enforceable. To the knowledge of such Grantor, neither the operation of such Grantor's business as currently conducted nor the use of the Intellectual Property in connection therewith conflicts with, infringes, misappropriates, dilutes, misuses or otherwise violates the Intellectual Property rights of any other Person.

(c) Except as set forth in Schedule 6, on the date hereof, (i) none of the material patents, trademarks, copyrights and trade secrets owned by any Grantor is the subject of any licensing or franchise agreement pursuant to which such Grantor is the licensor or franchisor and (ii) there are no other material agreements, obligations, orders or judgments to which such Grantor is subject which affect the use of any Intellectual Property owned by such Grantor.

(d) To the best knowledge of such Grantor, the rights of such Grantor in or to the Patents, Trademarks, Copyrights and Trade Secrets owned by such Grantor do not conflict with or infringe upon the rights of any third party, and no claim has been asserted that the use of such Intellectual Property does or may infringe upon the rights of any third party. There is currently no infringement or unauthorized use of any item of such Intellectual Property owned by such Grantor that, either individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

(e) No holding, decision or judgment has been rendered by any Governmental Authority which would limit, cancel or question the validity or enforceability of, or such Grantor's rights in, any Patent, Trademark, Copyright or Trade Secret owned by such Grantor in any respect that would reasonably be expected to have a Material Adverse Effect. Such Grantor is not aware of any uses of any item of such Intellectual Property owned by such Grantor that would reasonably be expected to lead to such item becoming invalid or unenforceable including unauthorized uses by third parties and uses which would reasonably be expected to damage the goodwill of the business associated with any of the Trademarks owned by such Grantor and Trademark Licenses.

(f) No action or proceeding is pending, or, to the knowledge of such Grantor, threatened, on the date hereof seeking to limit, cancel or question the validity of any material Patent, Trademark, Copyright or Trade Secret owned by such Grantor or such Grantor's ownership interest therein, which, if adversely determined, would have a Material Adverse Effect on the value of any Intellectual Property. The consummation of the transactions contemplated by this Agreement will not result in the termination or impairment of any of the Intellectual Property owned or licensed by such Grantor.

(g) With respect to each Copyright License, Trademark License and Patent License: (i) such license is valid and binding and in full force and effect and represents the entire agreement between the respective licensor and licensee with respect to the subject matter of such license; (ii) such Grantor has not received any notice of termination or cancellation under such license; (iii) such Grantor has not received any notice of a breach or default under such license, which breach or default has not been cured; and (iv) such Grantor is not in breach or default in any material respect, and no event has occurred that, with notice and/or lapse of time, would constitute such a breach or default or permit termination, modification or acceleration under such license.

(h) To the extent such Grantor has reasonably determined that it is commercially practicable to do so, such Grantor has used proper statutory notice in connection with its use of each material Patent, Trademark and Copyright owned by such Grantor.

(i) Such Grantor has taken commercially reasonable steps to protect the confidentiality of its Trade Secrets in accordance with its reasonable business judgment.

(j) Such Grantor has made all material filings and recordations and paid all fees necessary in its reasonable business judgment to adequately protect its interest in its United States Patents, Trademarks and Copyrights and material non-United States Patents, Trademarks and Copyrights owned by such Grantor including recordation of its interests in the material Patents and Trademarks owned by such Grantor with the United States Patent and Trademark Office and in similar offices or agencies in other countries and groups of countries, and recordation of interests in the Copyrights owned by such Grantor with the United States Copyright Office and in similar offices or agencies in other countries and groups of countries.

4.10. Material Contracts.

(a) Schedule 7 lists each contract to which any Grantor is a party that accounts for 10% or more of the total annual revenues of the Grantors taken as a whole.

(b) No Material Contract prohibits assignment or requires or purports to require consent of any party (other than such Grantor) to any Material Contract in connection with the execution, delivery and performance of this Agreement including, without limitation, the exercise of remedies by the Administrative Agent with respect to such Material Contract.

(c) Each Material Contract is in full force and effect and constitutes a valid and legally enforceable obligation of the parties thereto, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

(d) Neither such Grantor nor (to the best of such Grantor's knowledge) any of the other parties to the Material Contracts is in default in the performance or observance of any of the terms thereof in any manner that, in the aggregate, could reasonably be expected to have a Material Adverse Effect.

(e) The right, title and interest of such Grantor in, to and under the Material Contracts are not subject to any defenses, offsets, counterclaims or claims that, in the aggregate, could reasonably be expected to have a Material Adverse Effect.

(f) Such Grantor has delivered to the Administrative Agent a complete and correct copy of each Material Contract, including all amendments, supplements and other modifications thereto.

(g) No amount payable to such Grantor under or in connection with any Material Contract is evidenced by any Instrument or Tangible Chattel Paper which has not been delivered to the Collateral Agent or constitutes Electronic Chattel Paper that is not under the control of the Collateral Agent.

(h) None of the parties to any Material Contract is a Governmental Authority.

4.11. Letter of Credit Rights. Such Grantor is not a beneficiary or assignee under any letter of credit other than the letters of credit described on Schedule 8. Each letter of credit listed on Schedule 8 constitutes a Supporting Obligation for another item of the Collateral.

4.12. Commercial Tort Claims. Such Grantor has no Commercial Tort Claims other than those described on Schedule 9.

SECTION 5. COVENANTS

Each Grantor covenants and agrees with the Secured Parties that, from and after the date of this Agreement until the Collateral is released pursuant to Section 8.15(a):

5.1. Covenants in Credit Agreement. Such Grantor shall take, or refrain from taking, as the case may be, each action that is necessary to be taken or not taken, so that no breach of the covenants in the Credit Agreement pertaining to actions to be taken, or not taken, by such Grantor will result.

5.2. Delivery and Control of Instruments, Certificated Securities, Chattel Paper, Negotiable Documents and Letter of Credit Rights.

(a) If any of the Collateral of such Grantor is or shall become evidenced or represented by any Instrument, Negotiable Document or Tangible Chattel Paper, upon the request of the Collateral Agent such Instrument, Negotiable Documents or Tangible Chattel Paper shall be immediately delivered to the Collateral Agent, duly indorsed in a manner reasonably satisfactory to the Collateral Agent, to be held as Collateral pursuant to this Agreement.

(b) If any of the Collateral of such Grantor is or shall become "Electronic Chattel Paper" the aggregate face amount of which exceeds $250,000, such Grantor shall ensure that (i) a single authoritative copy exists which is unique, identifiable, unalterable (except as provided in clauses (iii), (iv) and (v) of this paragraph), (ii) such authoritative copy identifies the Collateral Agent as the assignee and is communicated to and maintained by the Collateral Agent or its designee, (iii) copies or revisions that add or change the assignee of the authoritative copy can only be made with the participation of the Collateral Agent, (iv) each copy of the authoritative copy and any copy of a copy is readily identifiable as a copy and not the authoritative copy and (v) any revision of the authoritative copy is readily identifiable as an authorized or unauthorized revision.

(c) If any of the Collateral of such Grantor is or shall become evidenced or represented by an Uncertificated Security in excess of $250,000, upon the request of the Collateral Agent, such Grantor shall cause the issuer thereof either (i) to register the Collateral Agent as the registered owner of such Uncertificated Security, upon original issue or registration of transfer or (ii) to promptly (but in any event within 30 days of such request) agree in writing with such Grantor and the Collateral

Agent that such Issuer will comply with instructions with respect to such Uncertificated Security originated by the Collateral Agent without further consent of such Grantor, such agreement to be in form and substance reasonably satisfactory to the Collateral Agent.

(d) if any of the Collateral of such Grantor is or shall become evidenced or represented by any Certificated Security (other than any Capital Stock which is specifically excluded from the definition of Pledged Stock by virtue of the proviso to such definition and any promissory note that does not qualify as a Pledged Note pursuant to the definition thereof), such Certificated Security shall be promptly delivered to the Collateral Agent, duly indorsed in a manner reasonably satisfactory to the Collateral Agent, to be held as Collateral pursuant to this Agreement.

(e) In addition to and not in lieu of the foregoing, if any issuer of any Investment Property is organized under the law of, or has its chief executive office in, a jurisdiction outside of the United States, each Grantor shall take such additional actions, including causing the issuer to register the pledge on its books and records, as may be reasonably requested by the Collateral Agent, under the laws of such jurisdiction to insure the validity, perfection and priority of the security interest of the Collateral Agent.

(f) In the case of any Letter-of-Credit Rights in any letter of credit exceeding $250,000 in value, upon the reasonable request of the Collateral Agent, each Grantor shall promptly (but in any event with in 60 days of such request or such later date to which the Collateral Agent may consent in writing) obtain the consent of the issuer thereof and any nominated person thereon to the assignment of the proceeds of the related letter of credit in accordance with Section 5-114(c) of the New York UCC, pursuant to an agreement in form and substance reasonably satisfactory to the Collateral Agent. No Grantor will consent to any person having "control" (within the meaning of Section 9-107 of the New York UCC) over, or any other interest in, any Letter-of-Credit Rights which such Grantor has an interest, other than the Collateral Agent.

(g) If any of the Collateral of such Grantor is or shall become "transferable records" as defined in UETA, such Grantor shall promptly notify the Collateral Agent thereof and, at the request of the Collateral Agent, shall take such action as the Collateral Agent may reasonably request to vest in the Collateral Agent "control" under Section 16 of UETA over such transferable records. The Collateral Agent agrees with such Grantor that the Collateral Agent will arrange, pursuant to procedures reasonably satisfactory to the Collateral Agent and so long as such procedures will not result in the Collateral Agent's loss of control, for the Grantor to make alterations to the transferable records permitted under Section 16 of UETA for a party in control to allow without loss of control, unless an Event of Default has occurred and is continuing or would occur after taking into account any action by such Grantor with respect to such transferable records

5.3. Maintenance of Insurance.

(a) Such Grantor will maintain, with financially sound and reputable companies, insurance policies (i) on all its 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 similar business and (ii) naming the Collateral Agent on behalf of the Secured Parties as additional insureds under liability insurance policies to the extent reasonably requested by the Collateral Agent.

(b) All such insurance shall (i) provide that no cancellation, material reduction in amount or material change in coverage thereof shall be effective until at least 30 days (10 days for non-payment of premium) after receipt by the Collateral Agent of written notice thereof and (ii) name the

Collateral Agent as additional insured party and/or loss payee in respect of property and business interruption insurance. All proceeds of business and interruption insurance received by the Collateral Agent shall be released by the Collateral Agent to the Borrower for account of the Grantor entitled thereto, unless (i) an Event of Default has occurred and is continuing or (ii) otherwise provided in the Credit Agreement.

5.4. Payment of Obligations. Such Grantor will pay and discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all material taxes and other material assessments and governmental charges or levies imposed upon such Grantor's Collateral or in respect of income or profits therefrom, as well as all claims of any kind (including claims for labor, materials and supplies) against or with respect to such Grantor's Collateral, except such claims as to which the failure to pay or discharge would not reasonably be expected to result in a Material Adverse Effect.

5.5. Maintenance of Perfected Security Interest; Further Documentation.

(a) Such Grantor shall maintain the security interest created by this Agreement in such Grantor's Collateral as a security interest having at least the perfection and priority described in Section 4.3 and shall defend such security interest against the claims and demands of all Persons whomsoever, subject to the rights of such Grantor under the Loan Documents to dispose of the Collateral.

(b) Such Grantor will furnish to the Collateral Agent from time to time statements and schedules further identifying and describing the assets and property of such Grantor in reasonable detail and such other reports in connection therewith as the Collateral Agent may reasonably request.

(c) Such Grantor shall permit representatives of the Collateral Agent, the Administrative Agent or any other Secured Party to visit and inspect any of its properties and examine and make abstracts from any of its books and records at any reasonable time and as often as may reasonably be desired and to discuss the business, operations, properties and financial and other condition of the Grantor with officers and employees of the Grantor and with their independent certified public accountants; provided that so long as no Event of Default has occurred and is continuing, (i) the rights of the Secured Parties (but not the Collateral Agent or the Administrative Agent) under this clause (c) shall be limited to once a year in the aggregate and (ii) the rights of the Collateral Agent and the Administrative Agent under this clause (c) shall be limited to three times a year. The Collateral Agent and the other Secured Parties and their respective representatives shall at all times while an Event of Default exists also have the right to enter into and upon any premises where any of the Inventory or Equipment is located for the purpose of examining, inspecting or auditing the same, observing its use or otherwise protecting their interests therein.

(d) At any time and from time to time, upon the written request of the Collateral Agent, and at the sole expense of such Grantor, such Grantor will promptly and duly execute and deliver, and have recorded, such further instruments and documents, including, without limitation, a completed Pledge Supplement, substantially in the form of Annex IV attached hereto, and take such further actions as the Collateral Agent may reasonably request for the purpose of creating, perfecting, ensuring the priority of, protecting or enforcing the Collateral Agent's security interest in the Collateral or otherwise conferring or preserving the full benefits of this Agreement and of the interests, rights and powers herein granted.

5.6. Changes in Locations, Name, etc. Such Grantor will not, except upon not less than 30 days' prior written notice to the Collateral Agent and delivery to the Collateral Agent of (a) all additional financing statements and other documents (executed where appropriate) reasonably requested

by the Collateral Agent to maintain the validity, perfection and priority of the security interests provided for herein and (b) if applicable, a written supplement to Schedule 5 showing any additional location at which Inventory or Equipment shall be kept:

(i) change its jurisdiction of organization or the location of its chief executive office or sole place of business or principal residence from that referred to in Section 4.4;

(ii) change its name; or

(iii) permit any Inventory or Equipment (other than mobile goods or Inventory in transit in the ordinary course of business) in excess of $1,000,000 in the aggregate in value to be kept at a location other than those listed on Schedule 5.

5.7. Reserved

5.8. Investment Property.

(a) If such Grantor shall become entitled to receive or shall receive any stock certificate (including any certificate representing a stock dividend or a distribution in connection with any reclassification, increase or reduction of capital or any certificate issued in connection with any reorganization), option or rights in respect of the Capital Stock of any Issuer, whether in addition to, in substitution of, as a conversion of, or in exchange for, any shares of the Pledged Stock, or otherwise in respect thereof, such Grantor shall accept the same as the agent of the Secured Parties, hold the same in trust for the Secured Parties and deliver the same forthwith to the Collateral Agent in the exact form received, duly indorsed by such Grantor to the Collateral Agent, if required, together with an undated stock power or equivalents covering such certificate duly executed in blank by such Grantor and with, if the Collateral Agent so requests, signature guaranteed, to be held by the Collateral Agent, subject to the terms hereof, as additional collateral security for the Obligations; provided, that in no event shall there be pledged more than 65% of any of the outstanding Foreign Subsidiary Voting Stock of any Foreign Subsidiary. Any sums paid upon or in respect of the Investment Property upon the liquidation or dissolution of any Issuer shall be paid over to the Collateral Agent (unless otherwise agreed in the Credit Agreement) to be held by it hereunder as additional collateral security for the Obligations, and in case any distribution of capital shall be made on or in respect of the Investment Property or any property shall be distributed upon or with respect to the Investment Property pursuant to the recapitalization or reclassification of the capital of any Issuer or pursuant to the reorganization thereof, the property so distributed shall, unless otherwise subject to a perfected security interest in favor of the Collateral Agent, be delivered to the Collateral Agent to be held by it hereunder as additional collateral security for the Obligations. If any sums of money or property so paid or distributed in respect of the liquidation or dissolution of any Issuer shall be received by such Grantor, such Grantor shall, until such money or property is paid or delivered to the Collateral Agent, hold such money or property in trust for the Secured Parties, segregated from other funds of such Grantor, as additional collateral security for the Obligations.

(b) Without the prior written consent of the Collateral Agent, such Grantor will not, except as permitted by the Credit Agreement, (i) vote to enable, or take any other action to permit, any Issuer of Pledged Stock to issue any stock or other equity securities of any nature or to issue any other securities convertible into or granting the right to purchase or exchange for any stock or other equity securities of any nature of any Issuer, (ii) sell, assign, transfer, exchange, or otherwise dispose of, or grant any option with respect to, the Investment Property or Proceeds thereof, (iii) create, incur or permit to exist any Lien or option in favor of, or any claim of any Person with respect to, any of the Investment Property or Proceeds thereof, or any interest therein, except for the security interests created by this

Agreement or Liens permitted by the Credit Agreement or (iv) enter into any agreement or undertaking restricting the right or ability of such Grantor or the Collateral Agent to sell, assign or transfer any of the Investment Property or Proceeds thereof (unless such restriction is permitted by the Credit Agreement).

(c) With respect to any Investment Property that is a Deposit Account, Commodity Account, Securities Account or Securities Entitlement with a balance at any time outstanding in excess of $15,000 individually or $100,000 in the aggregate, it shall cause the depositary institution or securities intermediary maintaining such account or entitlement to enter into an agreement, substantially in the form of Exhibit K to the Credit Agreement, pursuant to which the depositary institution or securities intermediary shall agree to comply with the Collateral Agent's instructions without further consent by such Grantor and shall establish that the Collateral Agent shall have "control" (within the meaning of Section 8-106, 9-104 or 9-106, as applicable, of the New York UCC) over such Deposit Account, Commodity Account, Securities Account or Securities Entitlement. Such Grantor shall have entered into such control agreement or agreements with respect to: (i) any Securities Accounts, Securities Entitlements, Commodity Accounts or Deposit Accounts that exist on the Closing Date, (other than (A) the Wachovia Account, provided that the Wachovia Account shall only be used as a payroll account and no more than $500,000 shall be on deposit therein at any one time and (B) any such account with a balance outstanding at such time of $15,000 or less individually or $100,000 in the aggregate) as of or prior to the Closing Date and (ii) any Securities Accounts, Securities Entitlements, Deposit Accounts or Commodity Accounts that are created or acquired after the Closing Date other than account with a balance outstanding at any time of $15,000 or less or $100,000 in the aggregate, as of or prior to the deposit or transfer of any such Securities Entitlements or funds, whether constituting moneys or investments, into such Securities Accounts, Deposit Accounts or Commodity Accounts. No Grantor will consent to any person having "control" (within the meanings of Sections 8-106, 9-106 and 9-104 of the New York UCC) over, or any other interest in, any Securities Account, Securities Entitlements, Commodity Account or Deposit Account, in each case in which such Grantor has an interest, or any Securities, Commodities or other property credited thereto other than the Collateral Agent.

(d) In the case of each Grantor which is an Issuer, such Grantor agrees that (i) it will be bound by the terms of this Agreement relating to the Investment Property issued by it and will comply with such terms insofar as such terms are applicable to it, (ii) it will notify the Collateral Agent promptly in writing of the occurrence of any of the events described in Section 5.8(a) with respect to the Investment Property issued by it and (iii) it will take all actions required or reasonably requested by the Collateral Agent to enable or permit each Grantor to comply with Sections 6.3(c) and 6.7 as to all Investment Property issued by it.

(e) Such grantor shall not consent to any amendment to any related operating or partnership agreement, as applicable, that would render the representation in Section 4.7(d) to no longer be true and correct.

5.9. Receivables.

(a) Other than in the ordinary course of business or as permitted by the Loan Documents, such Grantor will not (i) grant any extension of the time of payment of any Receivable, (ii) compromise or settle any Receivable for less than the full amount thereof, (iii) release, wholly or partially, any Person liable for the payment of any Receivable, (iv) allow any credit or discount whatsoever on any Receivable or (v) amend, supplement or modify any Receivable in any manner that would materially adversely affect the value of the Receivables constituting Collateral taken as a whole.

(b) Such Grantor will deliver to the Collateral Agent a copy of each material demand, notice or document received by it that questions or calls into doubt the validity or enforceability of more than 5% of the aggregate amount of the then outstanding Receivables.

5.10. Intellectual Property. (a) Except as permitted in the Credit Agreement:

(i) With respect to each material Trademark owned by such Grantor, such Grantor (either itself or through licensees) will take all reasonably necessary steps to (i) continue to use such Trademark on each and every trademark class of goods applicable to its current line as reflected in its current catalogs, brochures and price lists in order to maintain such Trademark in full force free from any claim of abandonment for non-use, (ii) maintain as in the past the quality of products and services offered under such Trademark and take all reasonably necessary steps to ensure that all licensed users of such Trademark maintain as in the past such quality, (iii) not adopt or use any mark which is confusingly similar or a colorable imitation of such Trademark unless the Collateral Agent, for the benefit of the Secured Parties, shall obtain a perfected security interest in such mark (if a United States mark) pursuant to this Agreement, and (iv) not (and not permit any licensee or sublicensee thereof to) do any act or knowingly omit to do any act whereby such Trademark may become invalidated or impaired in any material respect.

(ii) Such Grantor (either itself or through licensees) will not do any act, or knowingly omit to do any act, whereby any material Patent may become forfeited, abandoned or dedicated to the public.

(iii) Such Grantor (either itself or through licensees) will not (and will not permit any licensee or sublicensee thereof to) do any act or knowingly omit to do any act whereby any material Copyright owned by such Grantor may become invalidated or otherwise impaired.

(iv) Such Grantor (either itself or through licensees) will not do any act that knowingly uses any material Intellectual Property to infringe the intellectual property rights of any other Person.

(v) To the extent such Grantor has reasonably determined that it is commercially practicable to do so, such Grantor (either itself or through licensees) will use proper statutory notice in connection with the use of each material Patent, Trademark and Copyright owned by such Grantor.

(vi) Such Grantor will notify the Collateral Agent and the Lenders promptly if it knows, or has reason to know, that any application or registration relating to any material Patent, Trademark or Copyright of such Grantor may become forfeited, abandoned or dedicated to the public, or of any material adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or any court or tribunal in any country) regarding such Grantor's ownership of, or the validity of, any material Patent, Trademark or Copyright owned by such Grantor or such Grantor's right to register the same or to own and maintain the same.

(vii) Such Grantor will take all reasonable and necessary steps, including in any proceeding before the United States Patent and Trademark Office, the United States

Copyright Office or any similar office or agency in any other country or group of countries or any political subdivision of any of the foregoing, to maintain and pursue each application (and to obtain the relevant registration) and to maintain each registration of the material Patents, Trademarks and Copyrights owned by such Grantor, including the payment of required fees and taxes, the filing of responses to office actions issued by the United States Patent and Trademark Office and the United States Copyright Office, the filing of applications for renewal or extension, the filing of affidavits of use and affidavits of incontestability, the filing of divisional, continuation, continuation-in-part, reissue, and renewal applications or extensions, the payment of maintenance fees, and the participation in interference, reexamination, opposition, cancellation, infringement and misappropriation proceedings.

(viii) Such Grantor (either itself or through licensees) will not, without the prior written consent of the Collateral Agent, such consent not to be unreasonably withheld, discontinue use of or otherwise abandon any Intellectual Property, or abandon any application or any right to file an application for letters patent, trademark, or copyright, unless such Grantor shall have previously determined that such use or the pursuit or maintenance of such Intellectual Property is no longer desirable in the conduct of such Grantor's business and that the loss thereof could not reasonably be expected to have a Material Adverse Effect and, in which case, such Grantor shall give prompt notice of any such abandonment to the Collateral Agent in accordance herewith.

(ix) In the event that any material Intellectual Property is infringed, misappropriated or diluted by a third party, such Grantor shall (i) take such actions as such Grantor shall reasonably deem appropriate under the circumstances to protect such Intellectual Property and (ii) if such Intellectual Property is of material economic value, promptly notify the Collateral Agent after it learns thereof and, following consultation with the Collateral Agent, shall take such actions as it deems reasonable, which may include suing for infringement, misappropriation or dilution, seeking injunctive relief where appropriate and seeking to recover any and all damages for such infringement, misappropriation or dilution.

(x) Such Grantor shall take all steps in its business judgment reasonably necessary to protect the secrecy of all material Trade Secrets of such Grantor.

(b) After the date hereof, whenever such Grantor (i) shall acquire any Patent, Trademark or Copyright or (ii) either by itself or through any agent, employee, licensee or designee, shall file an application for the registration of any Patent, Trademark or Copyright owned by such Grantor with the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency in any other country or any political subdivision thereof, such Grantor shall report such acquisition or filing to the Collateral Agent within 15 days after the last day of the fiscal quarter in which such filing occurs. Such Grantor agrees that the provisions of Section 3 shall automatically apply to such Intellectual Property.

(c) Such Grantor agrees (i) with respect to certain of its Intellectual Property, to execute a Copyright Security Agreement in substantially the form of Annex III-A, a Patent Security Agreement in substantially the form of Annex III-B and a Trademark Security Agreement in substantially the form of Annex III-C, as applicable in order to record the security interest granted herein to the Collateral Agent for the benefit of the Secured Parties with the United States Patent and Trademark Office or the United States Copyright Office, as applicable and (ii) to provide to the Collateral Agent, within 15 days after the last day of the fiscal quarter in which any Intellectual Property registered in such offices is

acquired or registered by such Grantor, all documents necessary to record the security interest of the Collateral Agent in such Intellectual Property with such offices.

(d) Upon the reasonable request of the Collateral Agent, such Grantor shall execute and deliver, and use its best efforts to cause to be filed, registered or recorded, any and all agreements, instruments, documents, and papers which the Collateral Agent may reasonably request to evidence, register, record or perfect the Collateral Agent's security interest in any Copyright, Patent or Trademark and the goodwill and general intangibles of such Grantor relating thereto or represented thereby, in any office anywhere in the world in which filing, registration or recorded may be appropriate.

5.11. Vehicles. Grantor will cause the Collateral Agent's security interest in each Vehicle having a fair market value greater than $100,000 to be duly perfected, by notation on the certificate of title or as otherwise required by applicable law, within 30 days after such security interest attaches to such Vehicle.

5.12. Letter of Credit Rights. Such Grantor shall instruct all issuers and nominated persons under letters of credit under which the Grantor is the beneficiary or assignee (including the letters of credit described on Schedule 8) to make all payments thereunder to the Collateral Account.

5.13. Commercial Tort Claims. With respect to any Commercial Tort Claim in excess $250,000, it shall deliver to the Collateral Agent a completed Pledge Supplement, substantially in the form of Annex IV attached hereto.

5.14. Limitation on Liens on Collateral. Such Grantor shall not create, incur or permit to exist, will defend the Collateral against, and take such other action as is necessary to remove, any Lien or claim on or to the Collateral, other than Liens permitted pursuant to the Credit Agreement, and will defend the right, title and interest of the Collateral Agent and the other Secured Parties and the other holders of the Obligations in and to any of the Collateral against the claims and demands of all Persons whomsoever.

5.15. Limitations on Dispositions of Collateral. Such Grantor shall not sell, transfer, lease or otherwise dispose of any of the Collateral, or attempt, offer or contract to do so except as expressly permitted pursuant to the Credit Agreement.

SECTION 6. REMEDIAL PROVISIONS

6.1. Certain Matters Relating to Receivables.

(a) At any time and from time to time after the occurrence and during the continuation of an Event of Default, the Collateral Agent shall have the right to make test verifications of the Receivables in any manner and through any medium that it reasonably considers advisable, and each Grantor shall furnish all such assistance and information as the Collateral Agent may reasonably require in connection with such test verifications. At any time and from time to time after the occurrence and during the continuation of an Event of Default, at the expense of the relevant Grantor, such Grantor shall cause independent public accountants or others reasonably satisfactory to the Collateral Agent to furnish to the Collateral Agent reports showing reconciliations, aging and test verifications of, and trial balances for, the Receivables.

(b) The Collateral Agent hereby authorizes each Grantor to collect such Grantor's Receivables, and the Collateral Agent may curtail or terminate said authority at any time after the occurrence and during the continuance of an Event of Default. If required by the Collateral Agent at any

time after the occurrence and during the continuance of an Event of Default, any payments of Receivables, when collected by any Grantor, (i) shall be forthwith (and, in any event, within two Business Days of receipt by such Grantor) deposited by such Grantor in the exact form received, duly indorsed by such Grantor to the Collateral Agent if required, in a Collateral Account maintained under the sole dominion and control of the Collateral Agent, subject to withdrawal by the Collateral Agent for the account of the Secured Parties only as provided in Section 6.5, and (ii) until so turned over, shall be held by such Grantor in trust for the Collateral Agent and the Secured Parties, segregated from other funds of such Grantor. If so requested by the Collateral Agent, each such deposit of Proceeds of Receivables shall be accompanied by a report identifying in reasonable detail the nature and source of the payments included in the deposit.

(c) At any time and from time to time after the occurrence and during the continuation of an Event of Default, if so requested by the Collateral Agent, each Grantor shall deliver to the Collateral Agent all original and other documents evidencing, and relating to, the agreements and transactions which gave rise to the Receivables, including all original orders, invoices and shipping receipts.

6.2. Communications with Obligors; Grantors Remain Liable.

(a) The Collateral Agent in its own name or in the name of others may at any time after the occurrence and during the continuance of an Event of Default communicate with obligors under the Receivables to verify with them to the Collateral Agent's satisfaction the existence, amount and terms of any Receivables.

(b) At any time after the occurrence and during the continuance of an Event of Default, the Collateral Agent may (and each Grantor at the request of the Collateral Agent shall) notify obligors on the Receivables that the Receivables have been assigned to the Collateral Agent for the benefit of the Secured Parties and that payments in respect thereof shall be made directly to the Collateral Agent.

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

6.3. Investment Property.

(a) Unless an Event of Default has occurred and is continuing and the Collateral Agent has given notice to the relevant Grantor of the Collateral Agent's intent to exercise its rights pursuant to Section 6.3(b), each Grantor may receive all cash dividends paid in respect of the Pledged Equity Interests and all payments made in respect of the Pledged Notes, in each case paid in the normal course of business of the relevant Issuer, to the extent permitted in the Credit Agreement, and may exercise all voting and corporate or other organizational rights with respect to Investment Property; provided, that no vote shall be cast or corporate or other organizational right exercised or other action

taken (other than in connection with a transaction permitted by the Credit Agreement) which would impair the Collateral or be inconsistent with or result in any violation of any provision of any Loan Document.

(b) If an Event of Default shall occur and be continuing and the Collateral Agent shall give notice of its intent to exercise such rights to the relevant Grantor or Grantors, (i) the Collateral Agent shall have the right to receive any and all cash dividends, payments or other Proceeds paid in respect of the Investment Property and make application thereof to the Obligations in the order set forth in Section 6.5, and (ii) any or all of the Investment Property shall be registered in the name of the Collateral Agent or its nominee, and the Collateral Agent or its nominee may thereafter exercise (A) all voting, corporate and other rights pertaining to such Investment Property at any meeting of shareholders of the relevant Issuer or Issuers or otherwise and (B) any and all rights of conversion, exchange and subscription and any other rights, privileges or options pertaining to such Investment Property as if it were the absolute owner thereof (including the right to exchange at its discretion any and all of the Investment Property upon the merger, consolidation, reorganization, recapitalization or other fundamental change in the corporate or other organizational structure of any Issuer, or upon the exercise by any Grantor or the Collateral Agent of any right, privilege or option pertaining to such Investment Property, and in connection therewith, the right to deposit and deliver any and all of the Investment Property with any committee, depositary, transfer agent, registrar or other designated agency upon such terms and conditions as the Collateral Agent may reasonably determine), all without liability except to account for property actually received by it, but the Collateral Agent shall have no duty to any Grantor to exercise any such right, privilege or option and shall not be responsible for any failure to do so or delay in so doing.

(c) Each Grantor hereby authorizes and instructs each Issuer of any Investment Property pledged by such Grantor hereunder to (i) comply with any instruction received by it from the Collateral Agent in writing that (A) states that an Event of Default has occurred and is continuing and (B) is otherwise in accordance with the terms of this Agreement, without any other or further instructions from such Grantor, and each Grantor agrees that each Issuer shall be fully protected in so complying, and (ii) after receipt by an Issuer or obligor of any instructions pursuant to Section 6.3(c)(i) hereof, pay any dividends or other payments with respect to the Investment Property directly to the Collateral Agent.

6.4. Proceeds to be Turned Over to Collateral Agent. In addition to the rights of the Secured Parties specified in Section 6.1 with respect to payments of Receivables, if an Event of Default shall occur and be continuing and the Collateral Agent has instructed any Grantor to do so, all Proceeds received by such Grantor consisting of cash, checks and other near-cash items shall be held by such Grantor in trust for the Secured Parties, segregated from other funds of such Grantor, and shall, forthwith upon receipt by such Grantor, be turned over to the Collateral Agent in the exact form received by such Grantor (duly indorsed by such Grantor to the Collateral Agent, if required). All Proceeds received by the Collateral Agent hereunder shall be held by the Collateral Agent in a Collateral Account maintained under its sole dominion and control. All Proceeds while held by the Collateral Agent in a Collateral Account (or by such Grantor in trust for the Collateral Agent and the Secured Parties) shall continue to be held as collateral security for all the Obligations and shall not constitute payment thereof until applied as provided in Section 6.5.

6.5. Application of Proceeds. If and whenever any Event of Default has occurred and is continuing, the Collateral Agent shall apply all or any part of Proceeds constituting Collateral, whether or not held in any Collateral Account, in payment of the Obligations in the following order: first, to unpaid and unreimbursed costs, expenses and fees of the Administrative Agent and the Collateral Agent (including to reimburse ratably any other Secured Parties which have advanced any of the same to the Collateral Agent), each in its capacity as such, second, to the Administrative Agent, for application by it toward payment of outstanding Swingline Loans and any Obligations arising in connection therewith,

third, to the Administrative Agent, for application by it toward payment of the Obligations arising in connection with the Revolving Facility and any Specified Cash Management Agreements (including, without limitation, repayment of any outstanding Revolving Loans and cash collateralization or discharge of all Letters of Credit) and to reduce permanently the Revolving Commitments until Payment in Full of the Revolving Facility, *pro rata* among the Secured Parties according to the amount of such Obligations then owing to the applicable Secured Parties, fourth, to the Administrative Agent, for application by it toward payment of all amounts then due and owing and remaining unpaid in respect of the Obligations, *pro rata* among the Secured Parties according to the amount of the Obligations then due and owing and remaining unpaid to the Secured Parties, and fifth, to the Administrative Agent, for application by it toward prepayment of the Obligations, *pro rata* among the Secured Parties according to the amount of the Obligations then held by the Secured Parties. Any balance of such Proceeds remaining after the Obligations have been paid in full, all Letters of Credit have either been cash collateralized or discharged, and all commitments to extend credit under the Loan Documents have terminated shall be paid over to the Borrower or to whomsoever may be lawfully entitled to receive the same.

6.6. Code and Other Remedies. If an Event of Default shall occur and be continuing, the Collateral Agent may exercise, in addition to all other rights and remedies granted to it in this Agreement and in any other Loan Document, all rights and remedies of a secured party under the New York UCC or any other applicable law or in equity. Without limiting the generality of the foregoing, to the fullest extent permitted by applicable law, the Collateral Agent, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon any Grantor or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, lease, assign, give option or options to purchase, or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of any Agent or any Secured Party or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. Any Secured Party shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in any Grantor, which right or equity is hereby waived and released. Each Grantor further agrees, at the Collateral Agent's request, to assemble the Collateral and make it available to the Collateral Agent at places which the Collateral Agent shall reasonably select, whether at such Grantor's premises or elsewhere. The Collateral Agent shall apply the net proceeds of any action taken by it pursuant to this Section 6.6, after deducting all reasonable costs and expenses of every kind incurred in connection therewith or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Collateral Agent and the Secured Parties hereunder, including reasonable attorneys' fees and disbursements, to the payment in whole or in part of the Obligations, in such order as set forth in Section 6.5, and only after such application and after the payment by the Collateral Agent of any other amount required by any provision of law, including Section 9-615(a)(3) of the New York UCC, need the Collateral Agent account for the surplus, if any, to any Grantor. To the extent permitted by applicable law, each Grantor waives all claims, damages and demands it may acquire against any Secured Party arising out of the exercise of any rights hereunder other than any such claims, damages and demands that may arise from the gross negligence or willful misconduct of such Secured Party. If any notice of a proposed sale or other disposition of Collateral is required by law, such notice shall be deemed reasonable and proper if given at least 10 days before such sale or other disposition.

(b) Each Grantor recognizes that the Collateral Agent may be unable to effect a public sale of any or all the Pledged Equity Interests, by reason of certain prohibitions contained in the Securities Act and applicable state securities laws or otherwise, and may be compelled to resort to one or

more private sales thereof to a restricted group of purchasers which will be obliged to agree, among other things, to acquire such securities for their own account for investment and not with a view to the distribution or resale thereof. Each Grantor acknowledges and agrees that any such private sale may result in prices and other terms less favorable than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner. The Collateral Agent shall be under no obligation to delay a sale of any of the Pledged Equity Interests for the period of time necessary to permit the Issuer thereof to register such securities for public sale under the Securities Act, or under applicable state securities laws, even if such Issuer would agree to do so.

(c) Each Grantor agrees to use its best efforts to do or cause to be done all such other acts as may be necessary to make such sale or sales of all or any portion of the Pledged Stock pursuant to this Section 6.7 valid and binding and in compliance with any and all other applicable Requirements of Law; provided no Grantor shall be required to cause the issuer of any Pledged Equity Interest to register such securities for public sale under the Securities Act. Each Grantor further agrees that a breach of any of the covenants contained in this Section 6.7 will cause irreparable injury to the Secured Parties, that the Secured Parties have no adequate remedy at law in respect of such breach and, as a consequence, that each and every covenant contained in this Section 6.7 shall be specifically enforceable against such Grantor, and to the fullest extent permitted by applicable law, such Grantor hereby waives and agrees not to assert any defenses against an action for specific performance of such covenants except for a defense that no Event of Default has occurred or is continuing under the Credit Agreement.

6.7. Deficiency. Each Grantor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay its Obligations and the reasonable fees and disbursements of any attorneys employed by the Collateral Agent or any Secured Party to collect such deficiency.

SECTION 7. THE COLLATERAL AGENT

7.1. Collateral Agent's Appointment as Attorney-in-Fact, etc.

(a) Each Grantor hereby irrevocably constitutes and appoints the Collateral Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of such Grantor and in the name of such Grantor or in its own name, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be reasonably necessary or desirable to accomplish the purposes of this Agreement, and, without limiting the generality of the foregoing, each Grantor hereby gives the Collateral Agent the power and right, on behalf of such Grantor, without notice to or assent by such Grantor, to do any or all of the following:

(i) in the name of such Grantor or its own name, or otherwise, take possession of and indorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under any Receivable of such Grantor or with respect to any other Collateral of such Grantor and file any claim or take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Collateral Agent for the purpose of collecting any and all such moneys due under any Receivable of such Grantor or with respect to any other Collateral of such Grantor whenever payable;

(ii) in the case of any Intellectual Property, execute and deliver, and have recorded, any and all agreements, instruments, documents and papers as the Collateral

Agent may reasonably request to evidence the Secured Parties' security interest in such Intellectual Property and the goodwill and general intangibles of such Grantor relating thereto or represented thereby;

(iii) pay or discharge taxes and Liens levied or placed on or threatened against the Collateral, effect any repairs or any insurance called for by the terms of this Agreement and pay all or any part of the premiums therefor and the costs thereof;

(iv) execute, in connection with any sale provided for in Section 6.6 or 6.7, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral; and

(v) (A) direct any party liable for any payment under any of the Collateral to make payment of any and all moneys due or to become due thereunder directly to the Collateral Agent or as the Collateral Agent shall direct; (B) ask or demand for, collect, and receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral of such Grantor; (C) sign and indorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, notices and other documents in connection with any of the Collateral of such Grantor; (D) commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any portion thereof and to enforce any other right in respect of any Collateral of such Grantor; (E) defend any suit, action or proceeding brought against such Grantor with respect to any Collateral; (F) settle, compromise or adjust any such suit, action or proceeding and, in connection therewith, give such discharges or releases as the Collateral Agent may deem appropriate; (G) subject to any permitted licenses and reserved rights permitted under the Loan Documents, assign any Copyright, Patent or Trademark (along with the goodwill of the business to which any such Copyright, Patent or Trademark pertains), throughout the world for such term or terms, on such conditions, and in such manner, as the Collateral Agent shall in its sole discretion determine; and (H) generally, sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral of such Grantor as fully and completely as though the Collateral Agent were the absolute owner thereof for all purposes, and do, at the Collateral Agent's option and such Grantor's expense, at any time, or from time to time, all acts and things which the Collateral Agent deems necessary to protect, preserve or realize upon the Collateral of such Grantor and the Secured Parties' security interests therein and to effect the intent of this Agreement, all as fully and effectively as such Grantor might do.

The Collateral Agent agrees that it will not exercise any rights under the power of attorney provided for in this Section 7.1(a) unless an Event of Default has occurred and is continuing.

(b) If any Grantor fails to perform or comply with any of its agreements contained herein, the Collateral Agent, at its option, but without any obligation so to do, may perform or comply with, or cause performance or compliance with, such agreement.

(c) The expenses of the Collateral Agent incurred in connection with actions undertaken as provided in this Section 7.1, together with interest thereon at a rate per annum equal to the rate per annum at which interest would then be payable on past due Revolving Loans that are Base Rate Loans under the Credit Agreement, from the date of payment by the Collateral Agent to the date reimbursed by the relevant Grantor, shall be payable by such Grantor to the Collateral Agent on demand.

(d) Each Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. All powers, authorizations and agencies contained in this Agreement are coupled with an interest and are irrevocable as to each Grantor until all security interests created hereby with respect to the Collateral of such Grantor are released.

7.2. Duty of Collateral Agent. The Collateral Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the New York UCC or otherwise, shall be to deal with it in the same manner as the Collateral Agent deals with similar property for its own account. Neither the Collateral Agent, any Secured Party nor any of their respective officers, directors, employees or agents shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any Grantor or any other Person or to take any other action whatsoever with regard to the Collateral or any part thereof. The powers conferred on the Secured Parties hereunder are solely to protect the Secured Parties' interests in the Collateral and shall not impose any duty upon any Secured Parties to exercise any such powers. The Secured Parties shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their officers, directors, employees or agents shall be responsible to any Grantor for any act or failure to act hereunder, except, in the case of the Collateral Agent only in respect of its own gross negligence or willful misconduct (subject to Section 11.12(e) of the Credit Agreement and other applicable provisions of the Loan Documents).

7.3. Control Agreements. The Collateral Agent will not give any "notice of sole control" under any control agreement unless an Event of Default has occurred and is continuing.

7.4. Financing Statements. Each Grantor hereby authorizes the filing of any financing statements or continuation statements, and amendments to financing statements, or any similar document in any jurisdictions and with any filing offices as the Collateral Agent may determine, in its sole discretion, are necessary or advisable to perfect or otherwise protect the security interest granted to the Collateral Agent herein. Such financing statements may describe the Collateral in the same manner as described herein or may contain an indication or description of collateral that describes such property in any other manner as the Collateral Agent may determine, in its sole discretion, is necessary, advisable or prudent to ensure the perfection of the security interest in the Collateral granted to the Collateral Agent herein, including describing such property as "all assets" or "all personal property" and may add thereto "whether now owned or hereafter acquired." Each Grantor hereby ratifies and authorizes the filing by the Collateral Agent of any financing statement with respect to the Collateral made prior to the date hereof.

7.5. Authority, Immunities and Indemnities of Collateral Agent. Each Grantor acknowledges, and, by acceptance of the benefits hereof, each Secured Party agrees, that the rights and responsibilities of the Collateral Agent under this Agreement with respect to any action taken by the Collateral Agent or the exercise or non-exercise by the Collateral Agent of any option, voting right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Agreement shall, as among the Secured Parties, be governed by the Credit Agreement and that the Collateral Agent shall have, in respect thereof, all rights, remedies, immunities and indemnities granted to it in the Credit Agreement. By acceptance of the benefits hereof, each Secured Party that is not a Lender agrees to be bound by the provisions of the Credit Agreement applicable to the Collateral Agent, including Section 10 thereof, as fully as if such Secured Party were a Lender. The Collateral Agent shall be conclusively presumed to be acting as agent for the Secured Parties with full and valid authority so to act or refrain from acting, and no Grantor shall be under any obligation, or entitlement, to make any inquiry respecting such authority.

SECTION 8. MISCELLANEOUS

8.1. Amendments in Writing. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except in accordance with Section 11.1 of the Credit Agreement; provided that no such waiver, amendment, supplement or modification shall require the consent of the any Qualified Counterparty except as expressly provided in Section 11.1 of the Credit Agreement.

8.2. Notices. All notices, requests and demands to or upon the Collateral Agent or any Grantor hereunder shall be effected in the manner provided for in Section 11.2 of the Credit Agreement; provided that any such notice, request or demand to or upon any Grantor shall be addressed to such Grantor at its notice address set forth on Schedule 1 or to such other address as such Grantor may notify the Collateral Agent in writing; provided further that notices to the Collateral Agent shall be addressed as follows, or to such other address as may be hereafter notified by the Collateral Agent:

BNP Paribas
209 S. LaSalle Street, Suite 50
Chicago, IL 60604
Attention: Michael Colias
Telecopy: (312) 977-1380
Telephone: (312) 977-2235

with a copy to:

BNP Paribas
787 Seventh Avenue
New York, New York 10019-6016
Attention: Charles Romano
Telecopy: (212) 841-3065
Telephone: (212) 841-2968

8.3. No Waiver by Course of Conduct; Cumulative Remedies. No Secured Party shall by any act (except by a written instrument pursuant to Section 8.1), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default. No failure to exercise, nor any delay in exercising, on the part of any Secured Party, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by any Secured Party of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which such Secured Party would otherwise have on any future occasion. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

8.4. Enforcement Expenses; Indemnification.

(a) Each Grantor agrees to pay, or reimburse each Secured Party for, all its costs and expenses incurred in collecting against such Grantor under the guarantee contained in Section 2 or otherwise enforcing or preserving any rights under this Agreement and the other Loan Documents to which such Grantor is a party, including the reasonable fees and disbursements of counsel (including the allocated fees and expenses of in-house counsel) to the Collateral Agent and counsel to the each Secured Party.

(b) Each Grantor agrees to pay, and to save the Secured Parties harmless from, any and all liabilities with respect to, or resulting from any delay in paying, any and all stamp, excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral or in connection with any of the transactions contemplated by this Agreement.

(c) Each Grantor agrees to pay, and to save the Secured Parties harmless from, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Agreement on the terms set forth in Section 11.5 of the Credit Agreement.

(d) The agreements in this Section shall survive repayment of the Obligations and all other amounts payable under the Credit Agreement and the other Loan Documents.

8.5. Successors and Assigns. This Agreement shall be binding upon the successors and assigns of each Grantor and shall inure to the benefit of the Secured Parties and their successors and assigns; provided that no Grantor may assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Collateral Agent and, unless so consented to, each such assignment, transfer or delegation by any Grantor shall be void.

8.6. Set-Off. Each Grantor hereby irrevocably authorizes each Secured Party at any time and from time to time while an Event of Default shall have occurred and be continuing, without notice to such Grantor or any other Grantor, any such notice being expressly waived by each Grantor, to set-off and appropriate and apply any and all deposits (general or special, time or demand, provisional or final), 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 Secured Party to or for the credit or the account of such Grantor, or any part thereof in such amounts as such Secured Party may elect, against and on account of the obligations and liabilities of such Grantor to such Secured Party hereunder and claims of every nature and description of such Secured Party against such Grantor, in any currency, whether arising hereunder, under the Credit Agreement, any other Loan Document or otherwise, as such Secured Party may elect, whether or not any Secured Party has made any demand for payment and although such obligations, liabilities and claims may be contingent or unmatured. Each Secured Party shall notify such Grantor promptly of any such set-off and the application made by such Secured Party of the proceeds thereof, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Secured Party under this Section are in addition to other rights and remedies (including other rights of set-off) which such Secured Party may have.

8.7. 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, the Administrative Agent and the Collateral Agent.

8.8. Severability. Any provision of this Agreement which 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.

8.9. Section Headings. The Section headings used in this Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

8.10. Integration. This Agreement and the other Loan Documents represent the entire agreement of the Grantors and the Secured Parties with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by any Secured Party relative to subject matter hereof and thereof not expressly set forth or referred to herein or in the other Loan Documents.

8.11. 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.

8.12. Submission To Jurisdiction; Waivers. Each Grantor 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 Courts of the State of New York, the courts of the United States of America 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 such Grantor at its address referred to in Section 8.2 or at such other address of which the Collateral 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.

8.13. Acknowledgements. Each Grantor hereby acknowledges that:

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

(b) no Secured Party has any fiduciary relationship with or duty to any Grantor arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between the Grantors, on the one hand, and the Secured Parties, 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 Secured Parties or among the Grantors and the Secured Parties.

8.14. Additional Grantors; Supplements to Schedules. (a) Each Subsidiary of the Borrower that is required to become a party to this Agreement pursuant to Section 7.10 of the Credit Agreement shall become a Grantor for all purposes of this Agreement upon execution and delivery by such Subsidiary of an Assumption Agreement in the form of Annex I hereto.

(b) The Grantors shall deliver to the Collateral Agent supplements to the Schedules to this Agreement as necessary to reflect changes thereto arising after the date hereof. Such Supplements shall become part of this Agreement as of the date of delivery to the Collateral Agent.

8.15. Releases.

(a) At such time as the Loans, the Reimbursement Obligations and all other Obligations (other than contingent surviving indemnity obligations in respect of which no claim or demand has been made and obligations arising under any Specified Cash Management Agreements) have been paid in full, all commitments to extend credit under the Loan Documents have terminated, all Letters of Credit have been discharged or secured by a collateral arrangement satisfactory to the Issuing Lender in its sole discretion, the Collateral shall be released from the Liens created hereby, and this Agreement and all obligations (other than those expressly stated to survive such termination) of the Collateral Agent and each Grantor hereunder shall terminate, all without delivery of any instrument or performance of any act by any party, and all rights to the Collateral shall revert to the Grantors. At the request and sole expense of any Grantor following any such termination, the Collateral Agent shall deliver to such Grantor any Collateral held by the Collateral Agent hereunder and execute and deliver to such Grantor such documents (in form and substance reasonably satisfactory to the Collateral Agent) as such Grantor may reasonably request to evidence such termination.

(b) If any of the Collateral is sold, transferred or otherwise disposed of by any Grantor in a transaction permitted by the Credit Agreement, then the Lien created pursuant to this Agreement in such Collateral shall be released, and the Collateral Agent, at the request and sole expense of such Grantor, shall execute and deliver to such Grantor all releases or other documents reasonably necessary or desirable for the release of such Collateral (not including Proceeds thereof) from the security interests created hereby. At the request and sole expense of the Borrower, a Subsidiary Guarantor shall be released from its obligations hereunder in the event that all the Capital Stock of such Subsidiary Guarantor shall be sold, transferred or otherwise disposed of in a transaction permitted by the Credit Agreement; provided that the Borrower shall have delivered to the Collateral Agent, at least ten Business Days prior to the date of the proposed release, a written request for release identifying the relevant Subsidiary Guarantor and the terms of the sale or other disposition in reasonable detail, including the price thereof and any expenses in connection therewith, together with a certification by the Borrower stating that such transaction is in compliance with the Credit Agreement and the other Loan Documents.

8.16. WAIVER OF JURY TRIAL. EACH GRANTOR AND, BY ACCEPTANCE OF THE BENEFITS HEREOF, THE COLLATERAL AGENT AND EACH OTHER SECURED PARTY, HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

8.17. Secured Parties. By accepting the benefits of the Collateral, each of the Secured Parties agrees to be bound by the terms of the Loan Documents, including, without limitation, Section 10 of the Credit Agreement.

IN WITNESS WHEREOF, each of the undersigned has caused this Guarantee and Collateral Agreement to be duly executed and delivered as of the date first above written.

QUALITY HOME BRANDS HOLDINGS LLC

By:_____
Name:
Title:

QHB HOLDINGS LLC

By:_____
Name:
Title:

GENERATION BRANDS LLC

By:_____
Name:
Title:

MURRAY FEISS IMPORT LLC

By:_____
Name:
Title:

LOCUST GP LLC
By: Generation Brands LLC,
its sole member

By:_____
Name:
Title:

LPC MANAGEMENT, L.L.C.

By:_____
Name:
Title:

LIGHT PROCESS COMPANY, L.P.
By: LPC Management, L.L.C.,
its general partner

By:_____
Name:
Title:

SEA GULL LIGHTING PRODUCTS LLC

By:_____
Name:
Title:

WOODCO LLC

By:_____
Name:
Title:

TECH L ENTERPRISES INC.

By:_____
Name:
Title:

TECH LIGHTING L.L.C.

By:_____
Name:
Title:

LBL LIGHTING LLC.

By:_____
Name:
Title:

TECH L HOLDINGS, INC.

By:_____
Name:
Title:

Acknowledged and Agreed to:

BNP PARIBAS,
as Administrative Agent

By:_____
Name:
Title:

By:_____
Name:
Title:

BNP PARIBAS,
as Collateral Agent

By:_____
Name:
Title:

By:_____
Name:
Title:

Schedule 1

NOTICE ADDRESSES OF GRANTORS

Schedule 2

DESCRIPTION OF INVESTMENT PROPERTY

Pledged LLC Interests:

Name of Grantor	Name of Limited Liability Company	Type of Interest	Certificated (Y/N)	Certificate No.	% of Outstanding LLC Interests of the Limited Liability Company

Pledged Partnership Interests:

Name of Grantor	Name of Partnership	Type of Interest (e.g., general or limited)	Certificated (Y/N)	Certificate No.	% of Outstanding Partnership Interests of the Partnership

Pledged Stock:

Name of Grantor	Stock Issuer	Class of Stock	Certificated (Y/N)	Certificate No.	Par Value	No. of Shares	% of Outstanding Stock of the Stock Issuer

Pledged Notes:

Name of Grantor	Issuer	Original Principal Amount	Issue Date	Maturity Date

Securities Accounts:

Name of Grantor	Name of Securities Intermediary	Account Number	Account Name

Commodities Accounts:

Name of Grantor	Name of Commodities Intermediary	Account Number	Account Name

Deposit Accounts:

Name of Grantor	Name of Depositary Bank	Account Number	Account Name

Schedule 3

EXACT LEGAL NAME; LOCATION OF JURISDICTION OF ORGANIZATION; CHIEF EXECUTIVE OFFICE

Exact Legal Name of Grantor	Jurisdiction of Organization	Organizational Identification Number	Location of Chief Executive Office
Quality Home Brands Holdings LLC			
QHB Holdings LLC			
Generation Brands LLC			
Murray Feiss Import LLC			
Locust GP LLC			
LPC Management, L.L.C.			
Light Process Company, L.P.			
Sea Gull Lighting Products LLC			
WoodCo LLC			
Tech L Enterprises Inc.			
Tech Lighting L.L.C.			
LBL Lighting LLC			
Tech L Holdings, Inc.			

Schedule 4

FILINGS AND OTHER ACTIONS

REQUIRED TO PERFECT SECURITY INTERESTS

Uniform Commercial Code Filings

[List each office where a financing statement is to be filed for each Grantor][*]

Copyright, Patent and Trademark Filings

[List all filings for each Grantor]

Actions with respect to Pledged Stock[**]

Other Actions

[Describe other actions to be taken]

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[*] Note that perfection of security interests in patents and trademarks requires filings under the Uniform Commercial Code in the jurisdictions where filings would be made for general intangibles, as well as filings in the U.S Copyright Office and the U.S. Patent & Trademark Office.

[**] If the interest of a Grantor in Pledged Stock appears on the books of a financial intermediary, a control agreement as described in Section 8-106 of the New York UCC may be required by the Collateral Agent.

Schedule 5

LOCATIONS OF INVENTORY AND EQUIPMENT

Grantor	Locations

Schedule 6

INTELLECTUAL PROPERTY

Trademark Registrations and Applications

Trademark	Reg. No. (App. No.)	Reg. Date (App. Date)	Record Owner/Liens	Status/Comments

Patents

Patent	Reg. No. (App. No.)	Reg. Date (App. Date)	Record Owner/Lien	Status/Comments

Copyright Registrations

Title of Work	Reg. No.	Reg. Date	Record Owner/Liens	Status/ Comments

Top Level Domain Names

Domain Name	Registered	Expires	Record Owner	Status

License Agreements

Schedule 7

MATERIAL CONTRACTS

Schedule 8

LETTER OF CREDIT RIGHTS

Schedule 9

COMMERCIAL TORT CLAIMS

Annex I
to
Guarantee and Collateral Agreement

ASSUMPTION AGREEMENT (this "Assumption Agreement"), dated as of _____, 200_, made by _____, a _____ [corporation][limited liability company] (the "Additional Grantor"), in favor of BNP Paribas, as collateral agent (in such capacity, the "Collateral Agent") for the banks and other financial institutions (the "Lenders") parties to the Credit Agreement referred to below. All capitalized terms not defined herein shall have the meaning ascribed to them in such Credit Agreement.

RECITALS

A. Quality Home Brands Holdings LLC, as a debtor and debtor in possession (the "Borrower"), QHB Holdings LLC, a Delaware limited liability company, as a debtor and debtor in possession ("Holdings"), the Lenders and the Administrative Agent have entered into a Superpriority Secured Debtor-In-Possession Credit Agreement, dated as of December 4, 2009 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement");

B. In connection with the Credit Agreement, Holdings, the Borrower and certain of its Affiliates (other than the Additional Grantor) have entered into the Guarantee and Collateral Agreement, dated as of [_____], 2009 (as amended, supplemented or otherwise modified from time to time, the "Guarantee and Collateral Agreement") in favor of the Collateral Agent for the benefit of the Secured Parties;

C. WHEREAS, the Credit Agreement requires the Additional Grantor to become a party to the Guarantee and Collateral Agreement; and

D. WHEREAS, the Additional Grantor has agreed to execute and deliver this Assumption Agreement in order to become a party to the Guarantee and Collateral Agreement;

NOW, THEREFORE, IT IS AGREED:

1. Guarantee and Collateral Agreement. By executing and delivering this Assumption Agreement, the Additional Grantor, as provided in Section 8.14 of the Guarantee and Collateral Agreement, hereby becomes a party to the Guarantee and Collateral Agreement as a Grantor thereunder with the same force and effect as if originally named therein as a Grantor and, without limiting the generality of the foregoing, hereby expressly guarantees the Borrower Obligations as set forth in Section 2 thereof, grants the Collateral Agent, for the benefit of the Secured Parties, a security interest in all of its right, title and interest in the Collateral (as defined in the Guarantee and Collateral Agreement) as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of all Obligations as set forth in Section 3 thereof, and assumes all other obligations and liabilities of a Grantor set forth therein. The information set forth in Annex I-A hereto is hereby added to the information set forth in Schedules _____* to the Guarantee and Collateral Agreement. The Additional Grantor hereby represents and warrants that each of the representations and

* Refer to each Schedule which needs to be supplemented.

warranties contained in Section 4 of the Guarantee and Collateral Agreement is true and correct in all material respects on and as the date hereof (after giving effect to this Assumption Agreement) as if made on and as of such date.

2. GOVERNING LAW. THIS ASSUMPTION AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS ASSUMPTION AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK. THE PROVISIONS OF SECTIONS 8.1, 8.3, 8.4, 8.5, 8.7, 8.8, 8.9, 8.10, 8.12, 8.13 AND 8.16 OF THE GUARANTEE AND COLLATERAL AGREEMENT SHALL APPLY WITH LIKE EFFECT TO THIS ASSUMPTION AGREEMENT, AS FULLY AS IF SET FORTH AT LENGTH HEREIN.

IN WITNESS WHEREOF, the undersigned has caused this Assumption Agreement to be duly executed and delivered as of the date first above written.

[ADDITIONAL GRANTOR]

By:_____
Name:
Title:

Annex II
to
Guarantee and Collateral Agreement

ACKNOWLEDGEMENT AND CONSENT

The undersigned hereby acknowledges receipt of a copy of the Guarantee and Collateral Agreement dated as of [_____], 2009 (the "Agreement"), made by the Grantors parties thereto for the benefit of BNP Paribas, as Collateral Agent. The undersigned agrees for the benefit of the Secured Parties as follows:

1. The undersigned will be bound by the terms of the Agreement and will comply with such terms insofar as such terms are applicable to the undersigned.

2. The undersigned will notify the Collateral Agent promptly in writing of the occurrence of any of the events described in Section 5.8(a) of the Agreement.

3. The terms of Sections 6.3(a) and 6.7 of the Agreement shall apply to it with respect to all actions that may be required of it pursuant to Section 6.3(a) or 6.7 of the Agreement.

[NAME OF ISSUER]

By _____

Title _____

Address for Notices:

_____

_____

Fax:

Annex III-A
to
Guarantee and Collateral Agreement

FORM OF COPYRIGHT SECURITY AGREEMENT

This COPYRIGHT SECURITY AGREEMENT ("Agreement"), dated as of [_____], 2009, is entered into by and between each Grantor listed on the signature pages hereto (collectively, the "Grantors") and BNP Paribas (the "Assignee"), as Collateral Agent pursuant to that certain Guarantee and Collateral Agreement dated as of the date hereof between the Assignee and each of the Grantors (the "Security Agreement"), and pursuant to that certain Superpriority Secured Debtor-In-Possession Credit Agreement, dated as of December 4, 2009 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement") among Quality Home Brands Holdings LLC, a Delaware limited liability company, as a debtor and debtor in possession, as the Borrower, QHB Holdings LLC, a Delaware limited liability company, as a debtor and debtor in possession, ("Holdings"), the Lenders from time to time party thereto and BNP Paribas as Administrative Agent and Collateral Agent.

Capitalized terms not otherwise defined herein have the respective meanings ascribed to them in the Security Agreement or the Credit Agreement, as applicable.

WHEREAS, pursuant to the Security Agreement, each Grantor is granting a security interest to the Assignee in certain Collateral, including the Copyrights set forth on Schedule A hereto.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each of the Grantors and the Assignee hereby agree as follows:

1. Grant of Security Interest

(a) Each Grantor hereby grants to Assignee, for the benefit of the Secured Parties, a security interest in all Copyrights, to the extent of such Grantor's right, title or interest therein, now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time in the future may acquire any right, title or interest, as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of all of the Obligations.

(b) Schedule A hereto contains a true and accurate list of all of each Grantor's United States Copyright registrations.

(c) The security interest granted hereby is granted in conjunction with the security interest granted to the Assignee under the Security Agreement. The rights and remedies of the Assignee with respect to the security interest granted hereby are in addition to those set forth in the Security Agreement (which is deemed incorporated by reference herein) and those which are now or hereafter available to the Assignee as a matter of law or equity. The exercise by the Assignee of any one or more of the rights, powers or remedies provided for in this Agreement, in the Security Agreement, or now or hereafter existing at law or in equity shall not

preclude the simultaneous or later exercise by any person, including the Assignee, of any or all other rights, powers or remedies.

2. Modifications

This Agreement or any provision hereof may not be changed, waived, or terminated except in accordance with the amendment provisions of the Security Agreement. Notwithstanding the foregoing, each Grantor authorizes the Assignee, upon notice to such Grantor, to modify this Agreement in the name of and on behalf of such Grantor without obtaining such Grantor's signature to such modification, to the extent that such modification constitutes an amendment of Schedule A, to add any right, title or interest in any Copyright owned or subsequently acquired by such Grantor. Each Grantor additionally agrees to execute any additional agreement or amendment hereto as may be required by the Assignee from time to time, to subject any such owned or subsequently acquired right, title or interest in any Copyright to the liens and perfection created or contemplated hereby or by the Security Agreement.

3. 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 LAWS OF THE STATE OF NEW YORK.

4. Successors and Assigns

This Agreement shall be binding upon the successors and assigns of each Grantor and shall inure to the benefit of the Secured Parties and their successors and assigns; provided that no Grantor may assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Assignee and, unless so consented to, each such assignment, transfer or delegation by any Grantor shall be void.

5. Counterparts

This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be duly executed and delivered as of the date first above written.

GRANTORS:

QUALITY HOME BRANDS HOLDINGS LLC

By:_____
Name:
Title:

QHB HOLDINGS LLC

By:_____
Name:
Title:

GENERATION BRANDS LLC

By:_____
Name:
Title:

MURRAY FEISS IMPORT LLC

By:_____
Name:
Title:

LOCUST GP LLC
By: Generation Brands LLC,
its sole member

By:_____
Name:
Title:

LPC MANAGEMENT, L.L.C.

By:_____
Name:
Title:

LIGHT PROCESS COMPANY, L.P.
By: LPC Management, L.L.C.,
its general partner

By:_____
Name:
Title:

SEA GULL LIGHTING PRODUCTS LLC

By:_____
Name:
Title:

WOODCO LLC

By:_____
Name:
Title:

TECH L ENTERPRISES, INC.

By:_____
Name:
Title:

TECH LIGHTING L.L.C.

By:_____
Name:
Title:

LBL LIGHTING LLC

By:_____
Name:
Title:

TECH L HOLDINGS, INC.

By:_____
Name:
Title:

ASSIGNEE:

BNP PARIBAS,
as Collateral Agent

By:_____
Name:
Title:

By:_____
Name:
Title:

Schedule A to COPYRIGHT SECURITY AGREEMENT

Title	Reg. No.	Grantor

Annex III-B
to
Guarantee and Collateral Agreement

FORM OF PATENT SECURITY AGREEMENT

This PATENT SECURITY AGREEMENT ("Agreement"), dated as of [_____], 2009, is entered into by and between each Grantor listed on the signature pages hereto (collectively, the "Grantors") and BNP Paribas (the "Assignee"), as Collateral Agent pursuant to that certain Guarantee and Collateral Agreement dated as of the date hereof between the Assignee and each of the Grantors (the "Security Agreement"), and pursuant to that certain Superpriority Secured Debtor-In-Possession Credit Agreement, dated as of December 4, 2009 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement") among Quality Home Brands Holdings LLC, a Delaware limited liability company, as a debtor and debtor in possession, as the Borrower, QHB Holdings LLC, a Delaware limited liability company, as a debtor and debtor in possession, ("Holdings"), the Lenders from time to time party thereto and BNP Paribas as Administrative Agent and Collateral Agent.

Capitalized terms not otherwise defined herein have the respective meanings ascribed to them in the Security Agreement or the Credit Agreement, as applicable.

WHEREAS, pursuant to the Security Agreement, each Grantor is granting a security interest to the Assignee in certain Collateral, including the Patents set forth on Schedule A hereto.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each of the Grantors and the Assignee hereby agree as follows:

6. Grant of Security Interest

(a) Each Grantor hereby grants to Assignee, for the benefit of the Secured Parties, a security interest in all Patents, to the extent of such Grantor's right, title or interest therein, now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time in the future may acquire any right, title or interest, as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of all of the Obligations.

(b) Schedule A hereto contains a true and accurate list of all of each Grantor's United States Patents.

(c) The security interest granted hereby is granted in conjunction with the security interest granted to the Assignee under the Security Agreement. The rights and remedies of the Assignee with respect to the security interest granted hereby are in addition to those set forth in the Security Agreement (which is deemed incorporated by reference herein) and those which are now or hereafter available to the Assignee as a matter of law or equity. The exercise by the Assignee of any one or more of the rights, powers or remedies provided for in this Agreement, in the Security Agreement, or now or hereafter existing at law or in equity shall not

preclude the simultaneous or later exercise by any person, including the Assignee, of any or all other rights, powers or remedies.

7. Modifications

This Agreement or any provision hereof may not be changed, waived, or terminated except in accordance with the amendment provisions of the Security Agreement. Notwithstanding the foregoing, each Grantor authorizes the Assignee, upon notice to such Grantor, to modify this Agreement in the name of and on behalf of such Grantor without obtaining such Grantor's signature to such modification, to the extent that such modification constitutes an amendment of Schedule A, to add any right, title or interest in any Patent owned or subsequently acquired by such Grantor. Each Grantor additionally agrees to execute any additional agreement or amendment hereto as may be required by the Assignee from time to time, to subject any such owned or subsequently acquired right, title or interest in any Patent to the liens and perfection created or contemplated hereby or by the Security Agreement.

8. 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 LAWS OF THE STATE OF NEW YORK.

9. Successors and Assigns

This Agreement shall be binding upon the successors and assigns of each Grantor and shall inure to the benefit of the Secured Parties and their successors and assigns; provided that no Grantor may assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Assignee and, unless so consented to, each such assignment, transfer or delegation by any Grantor shall be void.

10. 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 counterparties 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, the Administrative Agent and the Collateral Agent.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be duly executed and delivered as of the date first above written.

GRANTORS:

QUALITY HOME BRANDS HOLDINGS LLC

By:_____
Name:
Title:

QHB HOLDINGS LLC

By:_____
Name:
Title:

GENERATION BRANDS LLC

By:_____
Name:
Title:

MURRAY FEISS IMPORT LLC

By:_____
Name:
Title:

LOCUST GP LLC
By: Generation Brands LLC,
its sole member

By:_____
Name:
Title:

LPC MANAGEMENT, L.L.C.

By:_____
Name:
Title:

LIGHT PROCESS COMPANY, L.P.
By: LPC Management, L.L.C.,
its general partner

By:_____
Name:
Title:

SEA GULL LIGHTING PRODUCTS LLC

By:_____
Name:
Title:

WOODCO LLC

By:_____
Name:
Title:

TECH L ENTERPRISES, INC.

By:_____
Name:
Title:

TECH LIGHTING L.L.C.

By:_____
Name:
Title:

LBL LIGHTING LLC

By:_____
Name:
Title:

TECH L HOLDINGS, INC.

By:_____
Name:
Title:

ASSIGNEE:

BNP PARIBAS,
as Collateral Agent

By:_____
Name:
Title:

By:_____
Name:
Title:

Schedule A to PATENT SECURITY AGREEMENT

Title	Patent. No. / Ser. No.	Grantor

Annex III-C
to
Guarantee and Collateral Agreement

FORM OF TRADEMARK SECURITY AGREEMENT

This TRADEMARK SECURITY AGREEMENT ("Agreement"), dated as of [_____], 2009, is entered into by and between each Grantor listed on the signature pages hereto (collectively, the "Grantors") and BNP Paribas (the "Assignee"), as Collateral Agent pursuant to that certain Guarantee and Collateral Agreement dated as of the date hereof between the Assignee and each of the Grantors (the "Security Agreement"), and pursuant to that certain Superpriority Secured Debtor-In-Possession Credit Agreement, dated as of December 4, 2009 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement") among Quality Home Brands Holdings LLC, a Delaware limited liability company, as a debtor and debtor in possession, as the Borrower, QHB Holdings LLC, a Delaware limited liability company, as a debtor and debtor in possession, ("Holdings"), the Lenders from time to time party thereto and BNP Paribas as Administrative Agent and Collateral Agent.

Capitalized terms not otherwise defined herein have the respective meanings ascribed to them in the Security Agreement or the Credit Agreement, as applicable.

WHEREAS, pursuant to the Security Agreement, each Grantor is granting a security interest to the Assignee in certain Collateral, including the Trademarks set forth on Schedule A hereto.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each of the Grantors and the Assignee hereby agree as follows:

11. Grant of Security Interest

(a) Each Grantor hereby grants to Assignee, for the benefit of the Secured Parties, a security interest in all Trademarks, to the extent of such Grantor's right, title or interest therein, now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time in the future may acquire any right, title or interest, as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of all of the Obligations.

(b) Schedule A hereto contains a true and accurate list of all of each Grantor's United States Trademark applications and registrations.

(c) The security interest granted hereby is granted in conjunction with the security interest granted to the Assignee under the Security Agreement. The rights and remedies of the Assignee with respect to the security interest granted hereby are in addition to those set forth in the Security Agreement (which is deemed incorporated by reference herein) and those which are now or hereafter available to the Assignee as a matter of law or equity. The exercise by the Assignee of any one or more of the rights, powers or remedies provided for in this Agreement, in the Security Agreement, or now or hereafter existing at law or in equity shall not preclude the simultaneous or later exercise by any person, including the Assignee, of any or all other rights, powers or remedies.

12. Modifications

This Agreement or any provision hereof may not be changed, waived, or terminated except in accordance with the amendment provisions of the Security Agreement. Notwithstanding the foregoing, each Grantor authorizes the Assignee, upon notice to such Grantor, to modify this Agreement in the name of and on behalf of such Grantor without obtaining such Grantor's signature to such modification, to the extent that such modification constitutes an amendment of Schedule A, to add any right, title or interest in any Trademark owned or subsequently acquired by such Grantor. Each Grantor additionally agrees to execute any additional agreement or amendment hereto as may be required by the Assignee from time to time, to subject any such owned or subsequently acquired right, title or interest in any Trademark to the liens and perfection created or contemplated hereby or by the Security Agreement.

13. 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 LAWS OF THE STATE OF NEW YORK.

14. Successors and Assigns

This Agreement shall be binding upon the successors and assigns of each Grantor and shall inure to the benefit of the Secured Parties and their successors and assigns; provided that no Grantor may assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Assignee and, unless so consented to, each such assignment, transfer or delegation by any Grantor shall be void.

15. Counterparts

This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be duly executed and delivered as of the date first above written.

GRANTORS:

QUALITY HOME BRANDS HOLDINGS LLC

By:_____
Name:
Title:

QHB HOLDINGS LLC

By:_____
Name:
Title:

GENERATION BRANDS LLC

By:_____
Name:
Title:

MURRAY FEISS IMPORT LLC

By:_____
Name:
Title:

LOCUST GP LLC
By: Generation Brands LLC,
its sole member

By:_____
Name:
Title:

LPC MANAGEMENT, L.L.C.

By:_____
Name:
Title:

LIGHT PROCESS COMPANY, L.P.
By: LPC Management, L.L.C.,
its general partner

By:_____
Name:
Title:

SEA GULL LIGHTING PRODUCTS LLC

By:_____
Name:
Title:

WOODCO LLC

By:_____
Name:
Title:

TECH L ENTERPRISES, INC.

By:_____
Name:
Title:

TECH LIGHTING L.L.C.

By:_____
Name:
Title:

LBL LIGHTING LLC

By:_____
Name:
Title:

TECH L HOLDINGS, INC.

By:_____
Name:
Title:

ASSIGNEE:

BNP PARIBAS,
as Collateral Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

Schedule A to TRADEMARK SECURITY AGREEMENT

Mark	Reg. No. / Ser. No.	Grantor

Annex IV
to
Guarantee and Collateral Agreement

This PLEDGE SUPPLEMENT, dated as of _____, is delivered by _____, a _____ (the "Grantor") pursuant to the Guarantee and Collateral Agreement, dated as of [_____], 2009 (as it may be from time to time amended, restated, amended and restated, modified or supplemented, the "Guarantee and Collateral Agreement"), among Quality Home Brands Holdings LLC, a Delaware limited liability company (the "Borrower"), QHB Holdings LLC, a Delaware limited liability company ("Holdings"), the other Grantors named therein, and BNP Paribas, as the Collateral Agent. Capitalized terms used herein not otherwise defined herein shall have the meanings ascribed thereto in the Guarantee and Collateral Agreement.

Grantor hereby confirms the grant to the Collateral Agent set forth in the Guarantee and Collateral Agreement of, and does hereby grant to the Collateral Agent, a security interest in all of Grantor's right, title and interest in and to all Collateral to secure the Obligations, in each case whether now or hereafter existing or in which Grantor now has or hereafter acquires an interest and wherever the same may be located. Grantor represents and warrants that the attached Supplements to Schedules accurately and completely set forth all additional information required pursuant to the Guarantee and Collateral Agreement and hereby agrees that such Supplements to Schedules shall constitute part of the Schedules to the Guarantee and Collateral Agreement.

IN WITNESS WHEREOF, Grantor has caused this Pledge Supplement to be duly executed and delivered by its duly authorized officer as of _____.

[NAME OF GRANTOR]

By:_____
Name:
Title:

EXHIBIT E

FORM OF EXIT CREDIT AGREEMENT

CREDIT AGREEMENT

among

QHB HOLDINGS LLC,

QUALITY HOME BRANDS HOLDINGS LLC,

as Borrower,

The Several Lenders

from Time to Time Parties Hereto,

and

BNP PARIBAS,

as Administrative Agent and Collateral Agent

Dated as of [_____], 2009

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N	Form of Borrowing Base Certificate
O	Form of Letter of Credit Request
P	Form of Notice of Conversion/Continuation

Q Form of Release

CREDIT AGREEMENT, dated as of [_____], 2010, among QUALITY HOME BRANDS HOLDINGS LLC, a Delaware limited liability company (d.b.a. Generation Brands) (the "Borrower"), [NEW QHB, a Delaware limited liability company,] QHB HOLDINGS LLC, a Delaware limited liability company ("Holdings"), the several banks and other financial institutions or entities from time to time parties to this Agreement (the "Lenders"), BNP PARIBAS, as administrative agent (in such capacity, and together with its successors in such capacity, the "Administrative Agent"), as collateral agent (in such capacity, the "Collateral Agent").

WHEREAS, reference is made to the First Lien Credit Agreement dated as of June 20, 2006, among the Borrower, Holdings, the lenders party thereto and BNP Paribas as successor administrative agent and collateral agent (as amended, supplemented or modified to the date hereof, the "Original Credit Agreement") and the Superpriority Secured Debtor-in-Possession Credit Agreement dated as of December 4, 2009, among the Borrower, Holdings, the Subsidiaries of the Borrower party thereto as Guarantors, the lenders party thereto and BNP Paribas as administrative agent and collateral agent (the "DIP Credit Agreement");[1]

WHEREAS, the Borrower and Holdings and certain of their affiliates commenced voluntary bankruptcy proceedings (the "Proceedings") on December 4, 2009, in connection with the prepackaged plan of reorganization (as such plan may be modified from time to time, the "Plan of Reorganization") under Chapter 11 of title 11 of the United States Code (the "Bankruptcy Code");

WHEREAS, pursuant to the Plan of Reorganization, each of the Lenders holding Term Loans under the Original Credit Agreement will continue a portion of such Term Loans as Cash-Pay Term Loans under the terms of this Agreement, and to continue the remaining portion of such Term Loans as PIK Term Loans under the terms of this Agreement, resulting in the allocation of Cash-Pay Term Loans and PIK Term Loans set forth on Schedule 2.1 hereto;

WHEREAS, pursuant to the Plan or Reorganization, the Revolving Commitments under the DIP Credit Agreement will be continued as a first-out Revolving Facility under this Agreement;; and

WHEREAS, subject to certain conditions, including the confirmation of the Plan of Reorganization pursuant to section 1129 of the Bankruptcy Code and the occurrence of the Effective Date of the Plan of Reorganization, pursuant to the Plan of Reorganization, the Lenders under each of the Original Credit and the DIP Credit Agreement shall be deemed a party to this Credit Agreement without further action of the Administrative Agent or of the Lenders, and this Credit Agreement, as set forth herein, will replace the Original Credit Agreement and the DIP Credit Agreement, which will have no remaining force and effect.

[1] In the event the DIP Credit Agreement does not become effective, provisions in this form of Credit Agreement will be modified accordingly.

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, the parties hereto 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.

"130 Capital Lease": the Lease, dated September 15, 2004, between 130 Holding, LLC and Sea Gull Lighting Products, Inc.

"Account": with respect to any Person, all present and future rights of such Person to payment for goods sold or leased or for services rendered (except those evidenced by instruments or chattel paper), whether now existing or hereafter arising and wherever arising.

"Addendum": an instrument, substantially in the form of Exhibit A.

"Administrative Agent": as defined in the preamble to this Agreement.

"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, whether by contract or otherwise; provided, that, notwithstanding the foregoing or anything to the contrary set forth herein or in any other Loan Document, in no event shall a Designated Manufacturer be considered an "Affiliate" of the Borrower or any Group Member for purposes of Section 8.10.

"Agents": the collective reference to the Collateral Agent and the Administrative Agent.

"Aggregate Exposure": with respect to any Lender at any time, an amount equal to the sum of (i) the aggregate then unpaid principal amount of such Lender's Term Loans and (ii) the amount of such Lender's Revolving Commitment 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 Aggregate Exposure of all Lenders at such time.

"Agreement": this Amended and Restated Credit Agreement.

"Anti-Terrorism Laws": Executive Order No. 13224, the Patriot Act, the laws comprising or implementing the Bank Secrecy Act and the laws administered by the United States Treasury Department's Office of Foreign Asset Control (each as from time to time in effect) and any similar laws relating to terrorism.

"Applicable Margin": for any day, with respect to Revolving Loans, Cash-Pay Term Loans, and PIK Term Loans, a rate per annum equal to the rate set forth below as Level I:

	Cash-Pay Term Loans		PIK Term Loan		Revolving Loans	
	Eurodollar Loans	Base Rate Loans	Eurodollar Loans	Base Rate Loans	Eurodollar Loans	Base Rate Loans
Level I	5.25%	4.25%	7.00%	6.00%	5.25%	4.25%
Level II	4.25%	3.25%	6.00%	5.00%	5.25%	4.25%

provided that, if a Cash Pay Election is timely made by the Borrower with respect to PIK Term Loans in accordance with Section 4.5(d), the Applicable Margin with respect to such PIK Term Loans for the Interest Period to which such Cash Pay Election applies will be a rate per annum equal to (x) for Eurodollar Loans, 6.25% and (y) for Base Rate Loans, 5.25%; provided further that if the Consolidated Leverage Ratio as at the last day of any period of four consecutive fiscal quarters of the Borrower is less than 4.0:1.0, then, so long as no Event of Default exists, the Applicable Margin with respect to Revolving Loans, Cash-Pay Term Loans, and PIK Term Loans shall be a rate per annum equal to the rate set forth above as Level II, during the period commencing three Business Days after the date on which the Borrower delivers a Compliance Certificate reflecting such Consolidated Leverage Ratio (together with the corresponding financial statements delivered to the Lenders pursuant to Section 7.1) and ending on the third Business Day after financial statements are delivered pursuant to Section 7.1 (or, if earlier, the date on which such financial statements are required to be delivered) with respect to the fiscal quarter next following the fiscal period for which such Compliance Certificate was delivered.

"Application": an application, in such form as the Issuing Lender may specify from time to time, requesting the Issuing Lender to issue a Letter of Credit.

"Appraisal": the most recent appraisal and/or field audit in form and substance reasonably satisfactory to the Administrative Agent delivered to the Administrative Agent pursuant to Section 7.2(g) hereof.

"Approved Fund": with respect to any Lender, any Person (other than a natural person) that is engaged in making, purchasing, holding or otherwise investing in commercial loans or similar extensions of credit in the ordinary course and is administered, advised or managed by (a) such Lender, (b) an Affiliate of such Lender, or (c) an entity or an Affiliate of an entity that administers, advises or manages such Lender.

"Asset Sale": any Disposition of Property or series of related Dispositions of Property or, in the case of any Subsidiary, any issuance or sale of any shares of such Subsidiary's Capital Stock to any Person (other than Capital Stock issued to any Group Member and excluding any such Disposition permitted by clause (a), (b), (c), (d), (e) or (f) of Section 8.5) that yields gross proceeds to any Group Member (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 $250,000.

"Assignee": as defined in Section 11.6(b).

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

"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; provided that, in calculating any Lender's Revolving Extensions of Credit for the purpose of determining such Lender's Available Revolving Commitment pursuant to Section 3.5, the aggregate principal amount of Swingline Loans then outstanding shall be deemed to be zero.

"Average Cash Balance": at any date, the average daily balance of all amounts of cash and Cash Equivalents that would, in conformity with GAAP, be included in "total current assets" (or any like caption) on a consolidated balance sheet of the Borrower and its Subsidiaries for the 30-day period prior to such date.

"Base Rate": for any day, a rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to the greater of (a) 4.25% per annum, (b) the Prime Rate in effect on such day, (c) the Federal Funds Effective Rate in effect on such day plus 0.50% and (d) the Eurodollar Rate, calculated based upon an assumed Interest Period of three months and determined on the first Business Day of each calendar quarter, plus 1.00% per annum. For purposes hereof: "Prime Rate" shall mean the rate of interest per annum publicly announced from time to time by the Reference Lender 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 the Reference Lender in connection with extensions of credit to debtors). Any change in the Base Rate due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective as of the opening of business on the effective day of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

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

"Benefited Lender": as defined in Section 11.7(a).

"Bi-Weekly Cash Report": as defined in Section 4.2(g).

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

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

"Borrowing Base": as at any date of determination, an aggregate amount equal to:

(i) seventy percent (70%) of the Value of Eligible Accounts Receivable as reflected in the most recent Borrowing Base Certificate delivered hereunder, plus

(ii) thirty-five percent (35%) of the Value of Eligible Inventory determined at the lower of cost or market on a first in first out basis consistent with Loan Parties' current and historical accounting practice as reflected in the most recent Borrowing Base Certificate delivered hereunder;

provided that Administrative Agent may, in its Permitted Discretion and upon at least five Business Days' prior notice to the Borrower, impose reserves against the Borrowing Base.

"Borrowing Base Certificate": a certificate substantially in the form of Exhibit N annexed hereto delivered to Lenders by the Borrower pursuant to Section 6.1(a)(iii) or Section 7.2(f), with appropriate attachments.

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

"Business": as defined in Section 5.17(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, Eurodollar Loans, such day is also a day for trading by and between banks in Dollar deposits in the interbank eurodollar market.

"Capital Expenditures": for any period, with respect to any Person, the aggregate of all expenditures by such Person and its Subsidiaries 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) that should be capitalized under GAAP on a consolidated balance sheet of such Person and its Subsidiaries.

"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) and any and all warrants, rights or options to purchase any of the foregoing.

"Cash Collateralize": cash collateralize in accordance with Section 3.15.

"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 six months 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-1 by Standard & Poor's Ratings Services ("S&P") or P-1 by Moody's Investors Service, Inc. ("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 six months 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 six months 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; or (g) shares of money market mutual or similar funds which invest exclusively in assets satisfying the requirements of clauses (a) through (f) of this definition or money market funds that (i) comply with the criteria set forth in Securities and Exchange Commission Rule 2a-7 under the Investment Company Act of 1940, as amended, (ii) are rated AAA by S&P and Aaa by Moody's and (iii) have portfolio assets of at least $5,000,000,000.

"Cash Measurement Date": as defined in Section 4.2(g).

"Cash Pay Election": as defined in Section 4. 5(d).

"Cash-Pay Term Facility": the Cash-Pay Term Loans.

"Cash-Pay Term Lenders": each Lender that holds a Cash-Pay Term Loan.

"Cash-Pay Term Loan": a Term Loan designated as a Cash-Pay Term Loan on Schedule 2.1.

"Cash-Pay Term Loan Percentage": as to any Lender at any time, the percentage which the aggregate principal amount of such Lender's Cash-Pay Term Loans then outstanding constitutes of the aggregate principal amount of all Cash-Pay Term Loans then outstanding.

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

"Closing Date": the date on which the conditions precedent set forth in Section 6.1 shall have been satisfied.

"Closing Date Equity Contribution": as defined in Section 6.1(b)(i).

"Collateral": all property of the Loan Parties, now owned or hereafter acquired, upon which a Lien is purported to be created by any Security Document.

"Collateral Access Agreement": any landlord waiver, mortgagee waiver, bailee letter or any similar acknowledgement agreement of any landlord, mortgagee or bailee in respect of any real property where any Inventory or machinery and equipment is located or any warehouseman or processor in possession of Inventory or machinery and equipment, in form an substance satisfactory to Administrative Agent.

"Collateral Agent": as defined in the preamble to this Agreement.

"Commitment": as to any Lender, the Revolving Commitment of such Lender.

"Commitment Fee Rate": 0.50% per annum.

"Commonly Controlled Entity": an entity, whether or not incorporated, that is under common control with the Borrower within the meaning of Section 4001 of ERISA or is part of a group that includes the Borrower and that is treated as a single employer under Section 414 of the Code.

"Compliance Certificate": a certificate duly executed by a Responsible Officer substantially in the form of Exhibit C.

"Conduit Lender": any special purpose entity organized and administered by any Lender for the purpose of making Loans otherwise required to be made by such Lender and designated by such Lender in a written instrument, subject to the consent of the Administrative Agent and the Borrower (which consent shall not be unreasonably withheld); provided, that the designation by any Lender of a Conduit Lender shall not relieve the designating Lender of any of its obligations to fund a Loan under this Agreement if, for any reason, its Conduit Lender fails to fund any such Loan, and the designating Lender (and not the Conduit Lender) shall have the sole right and responsibility to deliver all consents and waivers required or requested under this Agreement with respect to its Conduit Lender, and provided, further, that no Conduit Lender shall (a) be entitled to receive any greater amount pursuant to Section 4.9, 4.10, 4.11 or 11.5 than the designating Lender would have been entitled to receive in respect of the extensions of credit made by such Conduit Lender or (b) be deemed to have any Commitment.

"Consolidated Current Assets": at any date, all amounts (other than cash and Cash Equivalents) that would, in conformity with GAAP, be set forth opposite the caption "total current assets" (or any like caption) on a consolidated balance sheet of the Borrower and its Subsidiaries at such date.

"Consolidated Current Liabilities": at any date, all amounts that would, in conformity with GAAP, be set forth opposite the caption "total current liabilities" (or any like caption) on a consolidated balance sheet of the Borrower and its Subsidiaries at such date, but excluding (a) the current portion of any Funded Debt of the Borrower and its Subsidiaries and (b) without duplication of clause (a) above, all Indebtedness consisting of Revolving Loans or Swingline Loans to the extent otherwise included therein.

"Consolidated EBITDA": for any period, Consolidated Net Income for such period plus, without duplication and to the extent reflected as a charge in the statement of such Consolidated Net Income for such period, the sum of (a) income tax expense and amounts

dividended or distributed to Holdings for the payment of taxes, (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 the Loans), (c) depreciation and amortization expense, (d) amortization of intangibles (including, but not limited to, goodwill) and organization costs, (e) any non-cash extraordinary charges or losses determined in accordance with GAAP, (f) non-cash compensation expenses arising from the issuance of stock and options to purchase stock to the management of the Borrower, (g) any other non-cash charges, non-cash expenses or non-cash losses of the Borrower or any of its Subsidiaries for such period (excluding any such charge, expense or loss (x) incurred in the ordinary course of business that constitutes an accrual of or a reserve for cash charges for any future period and (y) which reflects or results from an adjustment to any item of working capital (including, without limitation, the value of inventory or receivables)), (h) out-of-pocket fees and expenses related to, and incurred within 180 days before or after, the Restructuring (including, without limitation, expenses incurred in connection with the fresh-start accounting changes, but excluding any items incurred during the periods covered by the proviso to this definition), (i) up to $1,500,000 of bonus payments paid to certain employees and members of management of the Borrower in connection with the Restructuring, (j) up to $1,000,000 of non-recurring costs associated with the cessation of sales operations in the Dallas, Texas and Las Vegas incurred during the fiscal year ending in December 2010, (k) up to $1,000,000 of severance costs during the fiscal year ending in December 2010, (l) up to $1,500,000 of non-recurring, one-time costs and expenses incurred during the fiscal year ending in December 2010 and (m) up to $2,400,000 of any tax abatement payments relating to the closure of Murray Feiss' Bronx warehouse located at 279-295 Locust Avenue, Bronx, New York 10454 and minus, to the extent included in the statement of such Consolidated Net Income for such period, the sum of (a) interest income, (b) any extraordinary income or gains determined in accordance with GAAP and (c) any other non-cash income (excluding any items that represent the reversal of any accrual of, or cash reserve for, anticipated cash charges in any prior period that are described in the parenthetical to clause (g) above), all as determined on a consolidated basis; provided, that, notwithstanding anything herein to the contrary, for purposes of this Agreement, Consolidated EBITDA for each of the fiscal periods listed below shall be deemed to equal the amount set forth next to such fiscal period:

Fiscal Period	Consolidated EBITDA
First fiscal quarter 2009	$3,926,251
Second fiscal quarter 2009	$8,438,327
Third fiscal quarter 2009	$5,975,139

For the purposes of calculating Consolidated EBITDA for any period of four consecutive fiscal quarters (each, a "Reference Period") pursuant to any determination of the Consolidated Leverage Ratio, if at any time during such Reference Period the Borrower or any Subsidiary shall have made any Material Disposition, the Consolidated EBITDA for such Reference Period shall be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the property that is the subject of such Material Disposition for such Reference Period or increased by an amount equal to the Consolidated EBITDA (if negative) attributable thereto for such Reference Period. As used in this definition, "Material Disposition" means any Disposition of property or series of related Dispositions of property that yields gross proceeds to the Borrower or any of its Subsidiaries in excess of $1,000,000.

"Consolidated Fixed Charge Coverage Ratio": for any period, the ratio of (a) Consolidated EBITDA for such period to (b) Consolidated Fixed Charges for such period.

"Consolidated Fixed Charges": for any period, the sum, without duplication, of (a) Consolidated Interest Expense plus (b) Capital Expenditures for such period.

"Consolidated Interest Coverage Ratio": for any period, the ratio of (a) Consolidated EBITDA for such period to (b) Consolidated Interest Expense for such period.

"Consolidated Interest Expense": for any period, total cash interest expense (including that attributable to Capital Lease Obligations and the JPMorgan Loan Documents) of the Borrower and its Subsidiaries for such period with respect to all outstanding Indebtedness of the Borrower and its Subsidiaries (including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing and net costs under Hedge Agreements in respect of interest rates to the extent such net costs are allocable to such period in accordance with GAAP, but excluding, solely with respect to PIK Term Loans, interest on PIK Term Loans not required to be in cash (regardless of whether such interest is in fact paid in cash at the election of the Borrower pursuant to Section 4.4(d))); provided that Consolidated Interest Expense for the four quarter period ending on (a) the last day of the first full fiscal quarter following the Closing Date shall be deemed to be Consolidated Interest Expense for such fiscal quarter multiplied by four, (b) the last day of the second full fiscal quarter following the Closing Date shall be deemed to be Consolidated Interest Expense for the two-fiscal quarter period ending on such date multiplied by two and (c) the last day of the third fiscal quarter following the Closing Date shall be deemed to be Consolidated Interest Expense for the three-fiscal quarter period ending on such date multiplied by 4/3.

"Consolidated Leverage Ratio": as at the last day of any period, the ratio of (a) Consolidated Total Debt on such day over (b) Consolidated EBITDA for such period.

"Consolidated Net Income": for any period, the consolidated net income (or loss) of the Borrower and its Subsidiaries, determined on a consolidated basis in accordance with GAAP minus amounts dividended or distributed to Holdings; provided that, to the extent otherwise included therein, 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, (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, (c) the undistributed earnings of any Subsidiary of the Borrower to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary is not at the time permitted by the terms of any Contractual Obligation (other than under any Loan Document), its Organizational Documents or Requirement of Law applicable to such Subsidiary and (d) any gain (or loss), together with any related provisions for taxes on any such gain (or the tax effect of any such loss), realized during such period by Holdings or any of its Subsidiaries upon any Asset Sale of any asset with a book value in excess of $250,000 by Holdings or any of its Subsidiaries. For the avoidance of doubt, no income recognized from the cancellation of indebtedness shall be included in Consolidated Net Income.

"Consolidated Total Debt": at any date, the aggregate principal amount of all Indebtedness (excluding Indebtedness under the JPMorgan Loan Documents) of the Borrower and its Subsidiaries at such date, determined on a consolidated basis in accordance with GAAP.

"Consolidated Working Capital": at any date, the excess of Consolidated Current Assets on such date over Consolidated Current Liabilities on such date.

"Continuing Directors": the directors of Holdings on the Closing Date and each other director, if, in each case, such other director's nomination for election to the board of directors of Holdings is recommended by at least 66-2/3% of the then Continuing Directors or such other director receives the vote of the Sponsor or its Control Investment Affiliates in his or her election by the shareholders of Holdings.

"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.

"Control Agreements": the Control Agreements executed and delivered by the Borrower and each Subsidiary Guarantor, substantially in the form of Exhibit K or such other form, the terms and conditions of which are reasonably acceptable to the Collateral Agent.

"Control Investment Affiliate": as to any Person, any other Person that (a) directly or indirectly, is in control of, is controlled by, or is under common control with, such Person and (b) is organized by such Person primarily for the purpose of making equity or debt investments in one or more companies. For purposes of this definition, "control" of a Person means the power, directly or indirectly, to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

"CRO": as defined in Section 7.12.

"Cure Amount": as defined in Section 8.1(f).

"Cure Right": as defined in Section 8.1(f).

"Default": any of the events specified in Section 9, whether or not any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

"Defaulting Lender": any Lender that, as determined by the Administrative Agent, (a) has failed to fund any portion of its Loans or participations in Letters of Credit or Swingline Loans required to be funded by it hereunder within one Business Day of the date required to be funded by it hereunder, (b) has notified the Administrative Agent, the Issuing Lender, the Swingline Lender, any Lender and/or the Borrower in writing that it does not intend to comply with any of its funding obligations under this Agreement or has made a public statement to the effect that it does not intend to comply with its funding obligations under this Agreement or under other agreements in which it commits to extend credit, (c) has failed, within three Business Days after request by the Administrative Agent, to confirm that it will comply with the terms of this Agreement relating to its obligations to fund prospective Loans and participations in then outstanding Letters of Credit or Swingline Loans, (d) has otherwise failed to pay over to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within three Business Days of the date when due, unless the subject of a good faith dispute, or (e) in the case of a Lender that has a Commitment, L/C Commitment or any obligation in respect of Letters of Credit or Swingline Loans outstanding at such time, is the subject of any bankruptcy, insolvency, receivership or other similar action or proceeding (or any comparable action or proceeding initiated by a regulatory authority having jurisdiction over such Lender or such person).

"Designated Manufacturer": those Persons identified on Schedule 1.1(a) engaged in manufacturing inventory for a Group Member pursuant to one or more written agreements entered into in the ordinary course and pursuant to the reasonable requirements of the business of such Group Member (or any predecessor in interest thereto), and in accordance with the usual and customary business practices of such Group Member (or any predecessor in interest thereto); provided, that, in each case, (a) except for equity investments expressly permitted pursuant to Section 8.8, no Group Member owns directly or indirectly any capital stock of such Person and (b) such Group Member shall have delivered or caused to be delivered to the Administrative Agent a true, complete and correct copy of each such written agreement with such Person (including all amendments, restatements, supplements and other modifications thereto).

"DIP Credit Agreement": as defined in the recitals to this Agreement.

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

"Documentation Agent": as defined in the preamble to this Agreement.

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

"Domestic Subsidiary": any Subsidiary of the Borrower organized under the laws of any jurisdiction within the United States.

"ECF Payment": as defined in Section 4.2(d).

"ECF Percentage": 75%.

"Eligible Accounts Receivable": all Accounts of the Borrower and its Subsidiaries which are Loan Parties resulting from sales in the ordinary course of business, as reduced by the amount of all returns, discounts, deductions, claims, credits, charges, or other allowances with respect thereto and deemed by Administrative Agent in the exercise of its Permitted Discretion to be eligible for inclusion in the calculation of the Borrowing Base. Unless otherwise approved in writing by Administrative Agent (with the consent of Majority Facility Lenders with respect to the Revolving Facility), an Account shall not be an Eligible Account Receivable if:

(a) it arises out of a sale made by the Borrower or such Subsidiary to an Affiliate of the Borrower or such Subsidiary or such sale is not on arm's length terms; or

(b) it is unpaid more than 60 days after the due date of invoice; provided, however, such period shall be 90 days for any investment grade account debtors or Accounts backed by a Letter of Credit; or

(c) it is from the same account debtor or its Affiliate if 50% or more of the amount of all Accounts from that account debtor (and its Affiliates) are ineligible under (b) above; or

(d) it has aged over 90 days past the due date of invoice and the account debtor for such Account is a creditor of the Borrower or any Subsidiary of the Borrower, has or has asserted a right of setoff against the Borrower or any Subsidiary of the Borrower, or has disputed its liability or otherwise has made any claim with respect to such Account or any other Account which has not been resolved, in each case to the extent of the amount owed by the Borrower or any Subsidiary of the Borrower to such account debtor, the amount of such actual or asserted right of setoff, or the amount of such dispute or claim, as the case may be; or

(e) when aggregated with all other Accounts of an account debtor and its Affiliates, the amount of such Account exceeds 25% in face amount of all Accounts then outstanding, but only to the extent of such excess; or

(f) it is evidenced by a judgment or by a promissory note, chattel paper or any other instrument or other document that is not in the possession of Administrative Agent or does not contain all necessary endorsements in favor of the Administrative Agent; or

(g) it is from the United States of America or any department, agency or instrumentality thereof, unless the applicable Loan Party duly assigns its rights to payment of such Account to the Administrative Agent pursuant to the Assignment of Claims Act of 1940, as amended (31 U.S.C. §§ 3727 et seq.); or

(h) the account debtor is (or its assets are) the subject of an event or condition of the type described in Section 9(f); or

(i) such Account is not payable in Dollars or the account debtor for such Account is located outside the United States unless, such Account is (i) supported by an irrevocable letter of credit satisfactory to Administrative Agent (as to form, substance and

issuer) and assigned to and directly drawable by Administrative Agent or (ii) covered by credit insurance acceptable to Administrative Agent; or

(j) the sale to the account debtor is on a bill-and-hold, guarantied sale, sale-and-return, sale on approval or consignment basis or made pursuant to any other written agreement providing for repurchase or return; or

(k) the goods giving rise to such Account have not been shipped and delivered to and accepted by the account debtor, the services giving rise to such Account have not been performed and accepted, or such Account otherwise does not represent a final sale; or

(l) such Account does not comply with all material and applicable laws, rules, regulations and orders of any Government Authority, including the Federal Consumer Credit Protection Act, the Federal Truth in Lending Act and Regulation Z of the Board of Governors of the Federal Reserve System; or

(m) such Account is subject to any adverse security deposit, progress payment or other similar advance made by or for the benefit of the applicable account debtor; or

(n) it is not subject to a valid and perfected or registered first priority Lien in favor of Collateral Agent or does not otherwise conform to the representations and warranties contained in the Loan Documents.

"Eligible Equity Contribution": proceeds of Capital Stock issued by Newco to, or any capital contribution made to Newco by, (a) the Sponsor or its Control Investment Affiliates, (b) any owner, or Affiliate of an owner, of Capital Stock in Newco on the Closing Date or (c) any member of management or employees of any Group Member, which, in each case, is contributed to Holdings by Newco.

"Eligible Inventory": with respect to the Borrower and each of its Subsidiaries that is a Loan Party, Inventory of the Borrower or such Subsidiary deemed by Administrative Agent in the exercise of its Permitted Discretion to be eligible for inclusion in the calculation of the Borrowing Base. Unless otherwise approved in writing by Administrative Agent (with the consent of Required Lenders), an item of Inventory shall not be included in Eligible Inventory if:

(a) it is not owned solely by the Borrower or such Subsidiary or the Borrower or such Subsidiary does not have good, valid and marketable title thereto; or

(b) it is in transit or is not located in the United States; or

(c) it is not located on property owned or leased by the Borrower or such Subsidiary or in a contract warehouse, in each case subject to a Collateral Access Agreement, to the extent required at such time by Section 7.14, executed by any applicable mortgagee, lessor or contract warehouseman, as the case may be, and segregated or otherwise separately identifiable from goods of others, if any, stored on the premises; or

(d) it is not subject to a valid and perfected or registered first priority Lien in favor of Collateral Agent except, with respect to Inventory stored at sites described in clause (c) above, for Liens for unpaid rent or normal and customary warehousing charges; or

(e) it consists of goods returned that have been opened from their original packaging or rejected by the Borrower's or such Subsidiary's customers or goods in transit to third parties (other than to warehouse sites covered by a Collateral Access Agreement); or

(f) it is not first-quality goods, is used for showroom displays, is damaged, defective, or does not otherwise conform to the representations and warranties contained in the Loan Documents; or

(g) it consists of work-in-process, operating supplies, packaging or shipping materials, scrap, aged more than 18 months (non-productive inventory), capitalized variances, or marketing materials or other such materials not considered for sale in the ordinary course of business; or

(h) it consists of consigned goods.

"Environmental Laws": any and all Federal, state, local or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, requirements of any Governmental Authority or other Requirements of Law (including common law) applicable to the Borrower or any Group Member that regulate, relate to or impose liability or standards of conduct concerning protection of human health as affected by environmental conditions or the environment, as now or may at any time hereafter be in effect.

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

"Eurocurrency Reserve Requirements": for any day as applied to a Eurodollar 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.

"Eurodollar Base Rate": with respect to each day during each Interest Period pertaining to a Eurodollar Loan, the greater of (a) 3.25% per annum and (b) the rate per annum determined on the basis of the rate for deposits in Dollars for a period equal to such Interest Period commencing on the first day of such Interest Period appearing on Reuters' LIBOR01 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 Reuters' LIBOR01 Page (or otherwise on such screen), the "Eurodollar Base Rate" shall be determined by reference to such other comparable publicly available service for displaying eurodollar 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 Dollar deposits at or about 11:00 A.M., New York City time, two Business Days prior to the beginning of such Interest Period in the interbank eurodollar 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.

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

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

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

"Eurodollar Tranche": the collective reference to Eurodollar 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 9; provided that any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

"Excess Cash Flow": for any (x) fiscal year of the Borrower and (y) each of the first three fiscal quarters of each fiscal year of the Borrower, the excess, if any, of (a) the sum, without duplication, of (i) Consolidated Net Income for such fiscal period, (ii) the amount of all non-cash charges (including depreciation and amortization but excluding the amount of any PIK Interest) deducted in arriving at such Consolidated Net Income, and (iii) decreases in Consolidated Working Capital for such fiscal period over (b) the sum, without duplication, of (i) the amount of all non-cash credits included in arriving at such Consolidated Net Income, (ii) the aggregate amount actually paid by the Borrower and its Subsidiaries in cash during such fiscal period on account of Capital Expenditures (excluding the principal amount of Indebtedness (other than Revolving Loans) incurred to finance such expenditures and any such expenditures financed with the proceeds of any Reinvestment Deferred Amount or a Eligible Equity Contribution), (iii) the aggregate amount of all prepayments of Revolving Loans during such fiscal period to the extent accompanying permanent optional reductions of the Revolving Commitments and all optional prepayments of the Term Loans during such fiscal period, (iv) the aggregate amount of all regularly scheduled principal payments of Funded Debt (including the Cash-Pay Term Loans) of the Borrower and its Subsidiaries made during such fiscal period (other than in respect of any revolving credit facility to the extent there is not an equivalent permanent reduction in commitments thereunder), (v) amounts dividended or distributed to Holdings, to the extent not deducted in arriving at such Consolidated Net Income and (vi) increases in Consolidated Working Capital for such fiscal period. Notwithstanding anything to the contrary in the foregoing, if the Borrower's balance of cash and Cash Equivalents (determined in accordance with GAAP) as of any Excess Cash Flow Application Date is greater

than $30,000,000, then Excess Cash Flow shall be increased by the amount of any PIK Interest that is not paid in cash.

"Excess Cash Flow Application Date": as defined in Section 4.2.

"Excluded Foreign Subsidiary": any Foreign Subsidiary in respect of which either (a) the pledge of all of the Capital Stock of such Subsidiary as Collateral or (b) the guaranteeing by such Subsidiary of the Obligations, would, in the good faith judgment of the Borrower, result in adverse tax consequences to the Borrower.

"Excluded Indebtedness": all Indebtedness permitted by Section 8.2.

"Facility": each of (a) the Cash-Pay Term Facility, (b) the PIK Term Facility, and (c) 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 the Reference Lender from three federal funds brokers of recognized standing selected by it.

"Fee Election": as defined in Section 4.5(e).

"Fee Election Loan": as defined in Section 4.5(e).

"Financial Statements": as defined in Section 5.1(a).

"fiscal quarter": (i) for the first fiscal quarter of any fiscal year, the 91-day period commencing on the Saturday immediately succeeding the prior fiscal year, (ii) for the second fiscal quarter of any fiscal year, the 91-day period commencing on the Saturday immediately succeeding the first fiscal quarter, (iii) for the third fiscal quarter of any fiscal year, the 91-day period commencing on the Saturday immediately succeeding the second fiscal quarter and (iv) for the fourth fiscal quarter of any fiscal year, the period commencing on the Saturday immediately succeeding the third fiscal quarter and ending on the Friday nearest to December 31 of each calendar year.

"fiscal year": a period of four fiscal quarters ending on the Friday nearest to December 31 of a calendar year.

"Foreign Subsidiary": any Subsidiary of the Borrower that is not a Domestic Subsidiary.

"Fund": any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans or similar extensions of credit in the ordinary course.

"Funded Debt": as to any Person, all Indebtedness of such Person that matures more than one year from the date of its creation or matures within one year from such date but is renewable or extendible, at the option of such Person, to a date more than one year from such date or arises under a revolving credit or similar agreement that obligates the lender or lenders to extend credit during a period of more than one year from such date, including all current maturities and current sinking fund payments in respect of such Indebtedness whether or not required to be paid within one year from the date of its creation and, in the case of the Borrower, Indebtedness in respect of the Loans.

"Funding Office": the office of the Administrative Agent specified in Section 11.2 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 as in effect from time to time.

"Governmental Authority": any nation or government, any state or other political subdivision thereof, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization (including the National Association of Insurance Commissioners).

"Group Members": the collective reference Holdings, the Borrower and their respective Subsidiaries.

"Guarantee and Collateral Agreement": the Guarantee and Collateral Agreement executed and delivered by Holdings, the Borrower and each Subsidiary Guarantor, substantially in the form of Exhibit D.

"Guarantee Obligation": as to any Person (the "guaranteeing person"), any obligation of (a) the guaranteeing person or (b) another Person (including any bank under any letter of credit) to induce the creation of which the guaranteeing person has issued a reimbursement, counterindemnity or similar obligation, in either case guaranteeing or in effect guaranteeing any Indebtedness, leases, dividends or other obligations (the "primary obligations") of any other third Person (the "primary obligor") in any manner, whether directly or indirectly, including any 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 the lower of (a) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee

Obligation is made and (b) the maximum amount for which such guaranteeing person may be liable pursuant to the terms of the instrument embodying such Guarantee Obligation, unless such primary obligation and the maximum amount for which such guaranteeing person may be liable are not stated or determinable, in which case the amount of such Guarantee Obligation shall be such guaranteeing person's maximum reasonably anticipated liability in respect thereof as determined by such guaranteeing person in good faith.

"Guarantors": the collective reference to Holdings and the Subsidiary Guarantors.

"Hedge Agreements": any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of Holdings, the Borrower or the Subsidiaries shall be a Hedge Agreement.

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

"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 current trade payables 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), (e) all Capital Lease Obligations of such Person, (f) all obligations of such Person, contingent or otherwise, as an account party or applicant under or in respect of acceptances, letters of credit, surety bonds or similar arrangements, (g) the liquidation value of all redeemable preferred 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 (g) above, (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 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 (j) for the purposes of Sections 8.2 and 9(e) only, all obligations of such Person in respect of Hedge Agreements. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness expressly provide that such Person is not liable therefor.

"Indemnitee": as defined in Section 11.5.

"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 copyrights, copyright licenses, patents, patent licenses, trademarks, trademark licenses, technology, know-how and processes, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

"Intercompany Note": the Subordinated Intercompany Note executed and delivered by each Group Member, substantially in the form of Exhibit L.

"Interest Payment Date": (a) as to any Base Rate Loan (other than any Swingline Loan), the last day of each March, June, September and December to occur while such Loan is outstanding and the final maturity date of such Loan, (b) as to any Eurodollar Loan having an Interest Period of three months or less, the last day of such Interest Period, (c) as to any Eurodollar Loan having an Interest Period longer than three months, each day that is three months, or a whole multiple thereof, after the first day of such Interest Period and the last day of such Interest Period, (d) as to any Loan (other than any Revolving Loan that is a Base Rate Loan and any Swingline Loan), the date of any repayment or prepayment made in respect thereof and (e) as to any Swingline Loan, the day that such Loan is required to be paid.

"Interest Period": as to any Eurodollar Loan, (a) initially, the period commencing on the borrowing or conversion date, as the case may be, with respect to such Eurodollar Loan and ending one, two, three or six 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 Eurodollar Loan and ending one, two, three or six months thereafter, as selected by the Borrower by irrevocable notice to the Administrative Agent no later than 11:00 A.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) the Borrower may not select an Interest Period under a particular Facility that would extend beyond the Revolving Termination Date or beyond the date final payment is due on the Term Loans, as the case may be;

(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; and

(iv) the Borrower shall select Interest Periods so as not to require a payment or prepayment of any Eurodollar Loan during an Interest Period for such Loan.

"Inventory": with respect to any Person, all goods, merchandise and other personal property which are held for sale or lease by such Person.

"Investments": as defined in Section 8.8.

"Issuing Lender": BNP Paribas.

"JPMorgan Loan Agreement": the Loan Agreement, dated August 8, 2002, among Locust East 140th Street L.P., the guarantors named therein and JPMorgan Chase Bank, as amended and modified as of the date hereof.

"JPMorgan Loan Documents": each of the notes evidencing amount outstanding under the JPMorgan Loan Agreement, each of the guaranties, mortgages and leases related thereto, the JPMorgan Hedging Agreement and each other agreement executed in connection therewith, each as amended and modified as of the date hereof.

"Juice Works JV": a Delaware limited liability company.

"Landlord Consent and Estoppel": means the Landlord Consent and Estoppel required to be delivered by a Loan Party, in form and substance satisfactory to the Administrative Agent.

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

"L/C Fee Payment Date": the last day of each March, June, September and December and the last day of the Revolving Commitment Period.

"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 pursuant to Section 3.11.

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

"Leasehold Property": any leasehold interest of any Loan Party as lessee under any lease of real property, other than any such leasehold interest designated from time to time by the Administrative Agent in its reasonable discretion as not being required to be included in the Collateral.

"Lenders": as defined in the preamble hereto; provided, that unless the context otherwise requires, each reference herein to the Lenders shall be deemed to include any Conduit Lender.

"Letters of Credit": as defined in Section 3.7(a).

"Lien": any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge or other security interest or any preference, priority or other security agreement or preferential arrangement 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).

"Liquidity": at any time, the sum of (x) Borrower's balance of cash and Cash Equivalents (determined in accordance with GAAP) at such time plus (y) the maximum amount available for borrowing under the Total Revolving Commitments at such time.

"Liquidity Certificate": as defined in Section 7.2(h).

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

"Loan Documents": this Agreement, the Security Documents, any fee letter executed by the Borrower in connection with this Agreement and the Notes.

"Loan Parties": each Group Member that is a party to a Loan Document.

"Majority Facility Lenders": with respect to any Facility, the holders of more than 50% of the aggregate unpaid principal amount of the Term Loans 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); provided that (x) with respect to the Term Facility, the aggregate amount of outstanding Term Loans held or deemed held by any Lender that is then a Defaulting Lender shall be excluded for purposes of making a determination of Majority Facility Lenders with respect to the Term Facility and (y) with respect to the Revolving Facility, the unused Revolving Commitments of, or portion of the Total Revolving Extensions of Credit then outstanding held or deemed held by, any Lender that is then a Defaulting Lender shall be excluded for purposes of making a determination of Majority Facility Lenders with respect to the Revolving Facility.

"Material Adverse Effect": a material adverse effect on (a) the business, assets, property, condition (financial or otherwise) or results of operations of the Borrower and its Subsidiaries taken as a whole, (b) the validity or enforceability of this Agreement or any of the other Loan Documents or the material rights or remedies of the Agents or the Lenders hereunder or thereunder or (c) the validity, perfection or priority of the Collateral Agent's Liens upon a material portion of the Collateral.

"Materials of Environmental Concern": any petroleum (including crude oil or any fraction thereof) or petroleum products or any hazardous or toxic substances, materials or wastes, defined or regulated as such in or under any Environmental Law, including building

materials containing greater than 1% asbestos, dielectric fluids containing greater than 50 ppm polychlorinated biphenyls and urea-formaldehyde insulation.

"Mortgaged Properties": each of the real properties identified on Schedule 1.1(b) as a "Mortgaged Property" and any other real property as to which the Collateral Agent for the benefit of the Secured Parties shall be granted a Lien pursuant to the Mortgages.

"Mortgages": each of the mortgages and deeds of trust made by any Loan Party in favor of, or for the benefit of, the Collateral Agent for the benefit of the Secured Parties, substantially in the form of Exhibit E (with such changes thereto as shall be advisable under the law of the jurisdiction in which such mortgage or deed of trust is to be recorded).

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

"Net Cash Proceeds": (a) 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 by the Disposition of any non-cash consideration received in connection therewith or otherwise, but only as and when received) of such Asset Sale or Recovery Event, net of attorneys' fees, accountants' fees, investment banking fees, amounts required to be applied to the repayment of Indebtedness secured by a Lien expressly permitted hereunder on any asset that is the subject of such Asset Sale or Recovery Event (other than any Lien pursuant to a Security Document) 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 (b) in connection with any issuance or sale of Capital Stock, any capital contribution or any incurrence of Indebtedness, the cash proceeds received from such issuance, contribution or incurrence, net of attorneys' fees, investment banking fees, accountants' fees, underwriting discounts and commissions and other customary fees and expenses actually incurred in connection therewith.

"Newco": Generation Brands Holdings, Inc., a Delaware corporation.

"Non-Excluded Taxes": as defined in Section 4.10(a).

"Non-U.S. Lender": as defined in Section 4.10(d).

"Notes": the collective reference to any promissory note evidencing Loans.

"Obligations": the unpaid principal of and interest on (including interest accruing after the maturity of the Loans and Reimbursement Obligations and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) the Loans and all other obligations and liabilities of the Borrower to any Agent or to any Lender (or, in the case of Specified Cash Management Agreements, any Qualified Counterparty), 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, any Specified Cash Management Agreement 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 all fees, charges and disbursements of counsel to any Agent or to any Lender that are required to be paid by the Borrower pursuant hereto) or otherwise; provided that (x) notwithstanding the foregoing or anything to the contrary contained in any Specified Cash Management Agreement or in this Agreement or any other Loan Document, Obligations of the Borrower or any other Loan Party under or in respect of any Specified Cash Management Agreement shall constitute Obligations secured and guaranteed pursuant to the Security Documents only to the extent that, and for so long as, the other Obligations are so secured and guaranteed, and (y) any release of Collateral or Guarantors effected in the manner permitted by this Agreement shall not require the consent of holders of obligations under Specified Cash Management Agreements.

"Organizational Documents": as to any Person, the Certificate of Incorporation, Certificate of Formation, By Laws, Limited Liability Company Agreement, Partnership Agreement or other organizational or governing documents of such Person.

"Original Credit Agreement": as defined in the recitals to this Agreement.

"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.

"Participant": as defined in Section 11.6(c).

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

"Payment in Full of the Revolving Facility": (a) all Revolving Loans have been repaid in full in cash, (b) all interest accrued thereon and all fees accrued in respect of the Revolving Commitments have been paid in full in cash, (c) all outstanding Letters of Credit have been Cash Collateralized and (d) all Revolving Commitments have terminated.

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

"Permitted Discretion": Administrative Agent's good faith judgment based upon any factor which it believes: (a) will or could adversely affect the value of any Collateral, the enforceability or priority of Administrative Agent's Liens thereon or the amount which Administrative Agent and Lenders would be likely to receive (after giving consideration to delays in payment and costs of enforcement) in the liquidation of such Collateral or (b) suggests that any collateral report or financial information delivered to Administrative Agent by any Person on behalf of any Loan Party is incomplete, inaccurate or misleading in any material respect. In exercising such judgment, Administrative Agent may consider such factors already included in or tested by the definition of Eligible Accounts Receivable or Eligible Inventory, as well as any of the following: (i) changes in collection history and dilution with respect to Loan

Parties' Accounts; (ii) changes in demand for, and pricing of, Loan Parties' Inventory; (iii) changes in any concentration of risk with respect to such Accounts or Inventory; and (iv) any other factors that change the credit risk of lending to the Borrower on the security of such Accounts or Inventory.

"Permitted Loan Purchase": the purchase of Cash-Pay Term Loans or PIK Term Loans by the Borrower made in accordance with Section 11.6(g).

"Permitted Refinancing Indebtedness": any Indebtedness of the Borrower or any of its Subsidiaries issued in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, defease or discharge, other Indebtedness of the Borrower or any of its Subsidiaries (other than intercompany Indebtedness); provided, that:

(a) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness renewed, refunded, refinanced, replaced, defeased or discharged (plus the amount of all fees and expenses, including premiums, incurred in connection therewith);

(b) such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and has a weighted average life to maturity equal to or greater than the weighted average life to maturity of, the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged;

(c) if the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged is subordinated in right of payment to the Obligations, such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and is subordinated in right of payment to, the Obligations on terms at least as favorable to the Lenders as those contained in the documentation governing the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged and such Indebtedness does not have any scheduled principal payments prior to the final maturity date of the Obligations; and

(d) such Indebtedness is incurred either by the Borrower or by the Subsidiary that is the obligor on the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged.

"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.

"PIK Fee": as defined in Section 4.5(e).

"PIK Interest": as defined in Section 4.5(d).

"PIK Term Facility": PIK Term Loans.

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

"PIK Term Loan": a Term Loan designated as a PIK Term Loan on Schedule 2.1.

"PIK Term Loan Percentage": as to any Lender at any time, the percentage which the aggregate principal amount of such Lender's PIK Term Loans then outstanding constitutes of the aggregate principal amount of all PIK Term Loans then outstanding.

"Plan": at a particular time, any employee benefit plan that is covered by ERISA and in respect of which the Borrower or a Commonly Controlled Entity 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": as defined in the preamble to this Agreement.

"Proceedings": as defined in the recitals to this Agreement.

"Projections": as defined in Section 7.2(c).

"Properties": as defined in Section 5.17(a).

"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 Counterparty": with respect to any Specified Cash Management Agreement, any counterparty thereto that, at the time such Specified Cash Management Agreement was entered into, was a Lender, an Affiliate of a Lender, an Agent or an Affiliate of an Agent; provided that, in the event a counterparty to a Specified Cash Management Agreement at the time such Specified Cash Management Agreement was entered into was a Qualified Counterparty, such counterparty shall constitute a Qualified Counterparty hereunder and under the other Loan Documents.

"Record Document": means, with respect to any Leasehold Property, (a) the lease evidencing such Leasehold Property or a memorandum thereof, executed and acknowledged by the owner of the affected real property, as lessor, or (b) if such Leasehold Property was acquired or subleased from the holder of a Recorded Leasehold Interest, the applicable assignment or sublease document, executed and acknowledged by such holder, in each case in form sufficient to give such constructive notice upon recordation and otherwise in form reasonably satisfactory to the Administrative Agent.

"Recorded Leasehold Interest": a Leasehold Property with respect to which a Record Document has been recorded in all places necessary or desirable, in the Administrative Agent's reasonable judgment, to give constructive notice of such Leasehold Property to third party purchasers and encumbrances of the affected real property.

"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 Group Member.

"Reduced Leverage Period": if the Consolidated Leverage Ratio as at the last day of any period of four consecutive fiscal quarters of the Borrower is less than 5.5:1.0, then a Reduced Leverage Period shall commence three Business Days after the date on which the Borrower delivers a Compliance Certificate reflecting such Consolidated Leverage Ratio (together with the corresponding financial statements delivered to the Lenders pursuant to Section 7.1) and shall end on the third Business Day after financial statements are delivered pursuant to Section 7.1 (or, if earlier, the date on which such financial statements are required to be delivered) with respect to the fiscal quarter next following the fiscal period for which such Compliance Certificate was delivered.

"Reference Lender": BNP Paribas

"Refunded Swingline Loans": as defined in Section 3.4.

"Refunding Date": as defined in Section 3.4.

"Register": as defined in Section 11.6(b)(v).

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

"Reimbursement Obligation": the obligation of the Borrower to reimburse the Issuing Lender pursuant to Section 3.11 for amounts drawn under Letters of Credit.

"Reinvestment Deferred Amount": with respect to any Reinvestment Event, the aggregate Net Cash Proceeds received by any Group Member in connection therewith that are not applied to prepay the Term Loans or reduce the Revolving Commitments pursuant to Section 4.2(b) as a result of the delivery of a Reinvestment Notice.

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

"Reinvestment Notice": a written notice executed by a Responsible Officer stating that no Event of Default has occurred and is continuing and 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 an Asset Sale or Recovery Event to acquire or repair fixed or capital assets useful in its business.

"Reinvestment Prepayment Amount": with respect to any Reinvestment Event, the Reinvestment Deferred Amount relating thereto less any amount expended prior to the relevant Reinvestment Prepayment Date to acquire or repair fixed or capital assets useful in the Borrower's business.

"Reinvestment Prepayment Date": with respect to any Reinvestment Event, the earlier of (a) the date occurring six months after such Reinvestment Event and (b) the date on

which the Borrower shall have determined not to, or shall have otherwise ceased to, acquire or repair fixed or capital assets useful in the Borrower's business with all or any portion of the relevant Reinvestment Deferred Amount.

"Related Party Register": as defined in Section 11.6(d).

"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(b) of ERISA, other than those events as to which the thirty day notice period is waived under subsections .27, .28, .29, .30, .31, .32, .34 or .35 of PBGC Reg. § 4043.

"Required Lenders": at any time, the holders of more than 50% of the sum of (i) the aggregate unpaid principal amount of the Term Loans then outstanding 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; provided that the aggregate amount of Term Loans and unused Revolving Commitments of, or portion of the Total Revolving Extensions of Credit then outstanding held or deemed held by, any Lender that is then a Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders.

"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, in each case 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 or chief financial officer of the Borrower, but in any event, with respect to financial matters, the chief financial officer of the Borrower.

"Closing Date Equity Contribution": as defined in Section 6.1(b)(i).

"Restricted Payments": as defined in Section 8.6.

"Restructuring": the execution of this Agreement and the consummation of the transactions described in Section 6.1(b).

"Revolving Commitment": as to any Lender, the obligation of such Lender, if any, to make Revolving Loans and participate in Swingline Loans and 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 3.1 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 Total Revolving Commitments as of the Closing Date is $20,000,000.

"Revolving Commitment Period": the period from and including the Closing Date to the Revolving Termination 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, (b) such Lender's Revolving Percentage of the L/C Obligations then outstanding and (c) such Lender's Revolving Percentage of the aggregate principal amount of Swingline Loans then outstanding.

"Revolving Facility": the Revolving Commitments and the extensions of credit made thereunder.

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

"Revolving Loans": as defined in Section 3.1(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, however, solely for purposes of calculating the Revolving Percentage of any non-Defaulting Lender under Sections 4.16(a)(i) and 4.16(a)(iii), the Revolving Commitment of Defaulting Lenders shall be deemed subtracted from the Total Revolving Commitments (or, at any time after the Revolving Commitments shall have expired or terminated, the aggregate principal amount of Defaulting Lenders' Revolving Loans then outstanding shall be subtracted from the aggregate principal amount of the Revolving Loans then outstanding).

"Revolving Termination Date": June 30, 2014.

"SEC": the Securities and Exchange Commission, any successor thereto and any analogous Governmental Authority.

"Secured Parties": collectively, the Collateral Agent, the Administrative Agent, the Term Lenders, the Revolving Lenders, the Issuing Lender, the Swingline Lender and any Qualified Counterparty.

"Security Documents": the collective reference to the Guarantee and Collateral Agreement, the Mortgages, the Control Agreements and all other security documents hereafter delivered to the Collateral Agent granting a Lien on any property of any Person to secure the Obligations of any Loan Party under any Loan Document or Specified Cash Management Agreement.

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

"Solvent": when used with respect to any Person, means that, as of any date of determination, (a) the amount of the "present fair saleable value" of the assets of such Person will, as of such date, exceed the amount of all "liabilities of such Person, contingent or

otherwise", as of such date, as such quoted terms are determined in accordance with applicable federal and state laws governing determinations of the insolvency of debtors, (b) the present fair saleable value of the assets of such Person will, as of such date, be greater than the amount that will be required to pay the liability of such Person on its debts as such debts become absolute and matured, (c) such Person will not have, as of such date, an unreasonably small amount of capital with which to conduct its business, and (d) such Person will be able to pay its debts as they mature. For purposes of this definition, (i) "debt" means liability on a "claim", and (ii) "claim" means any (x) right to payment, whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured or (y) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured or unmatured, disputed, undisputed, secured or unsecured.

"Specified Cash Management Agreement": any cash management agreement (a) entered into by (i) the Borrower and (ii) a Qualified Counterparty, as counterparty and (b) that has been designated by such Qualified Counterparty and the Borrower, by notice to the Administrative Agent, as a Specified Cash Management Agreement. The designation of any cash management agreement as a Specified Cash Management Agreement shall not create in favor of any Qualified Counterparty that is a party thereto any rights in connection with the management or release of any Collateral or of the obligations of any Subsidiary Guarantor under either Guarantee and Collateral Agreement, except as contemplated in Section 11.14.

"Sponsor": Quad-C Management, Inc.

"Subsidiary": as to any Person, a corporation, partnership, limited liability company or other entity 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 or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person. 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 Subsidiary of the Borrower other than (a) any Excluded Foreign Subsidiary, (b) Locust East 140th Street L.P. and (c) MF Real Estate LLC.

"Swingline Commitment": the obligation of the Swingline Lender to make Swingline Loans pursuant to Section 3.3 in an aggregate principal amount at any one time outstanding not to exceed $4,000,000.

"Swingline Lender": BNP Paribas, in its capacity as the lender of Swingline Loans.

"Swingline Loans": as defined in Section 3.3.

"Swingline Participation Amount": as defined in Section 3.4.

"Term Facility": the Cash-Pay Term Facility and the PIK Term Facility.

"Term Lenders": collectively, the Cash-Pay Term Lenders and the PIK Term Lenders.

"Term Loan Maturity Date": June 30, 2014.

"Term Loans": collectively, the Cash-Pay Term Loans and the PIK Term Loans.

"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 of the Revolving Lenders outstanding at such time.

"Transferee": any Assignee or Participant.

"Type": as to any Loan, its nature as a Base Rate Loan or a Eurodollar Loan.

"United States": the United States of America.

"Value": as determined in accordance with GAAP, (a) with respect to Eligible Accounts Receivable, the gross face amount of Eligible Accounts Receivable less the sum of (i) sales, excise or similar taxes included in the amount thereof and (ii) returns, discounts, claims, credits, charges and allowances of any nature at any time issued, owing, granted, outstanding, available or claimed with respect thereto and (b) with respect to Eligible Inventory, the lower of (i) cost computed on a first-in first-out basis in consistent with GAAP and the Borrower's current and historical accounting practice or (ii) fair market value.

"Wholly Owned Subsidiary": as to any Person, any other Person all of the Capital Stock of which (other than directors' qualifying shares required by law) is owned by such Person directly and/or through other Wholly Owned Subsidiaries.

"Wholly Owned Subsidiary Guarantor": any Subsidiary Guarantor that is a Wholly Owned Subsidiary of the Borrower.

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) accounting terms relating to any Group Member not defined in Section 1.1 and accounting terms partly defined in Section 1.1, to the extent not defined, shall have the respective meanings given to them under GAAP, (ii) the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation", (iii) the word "incur" shall be construed to mean incur, create, issue, assume, become liable in respect of or suffer to exist (and the words "incurred" and "incurrence" shall have correlative meanings), (iv) the words "asset" and "property" shall be construed to

have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, Capital Stock, securities, revenues, accounts, leasehold interests and contract rights, and (v) 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 (subject to any applicable restrictions hereunder).

(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 Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

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

(e) Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP; provided that, if either the Borrower notifies the Administrative Agent that such Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrowers 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. TERM LOANS

2.1. Continuation and Conversion of Term Loans. Subject to the terms and conditions hereof, on the Closing Date the Term Loans of each Term Lender outstanding on such date under the Original Credit Agreement shall pursuant to the Plan of Reorganization be exchanged for Cash-Pay Term Loans and PIK Term Loans under this Agreement, in the principal amounts indicated on Schedule 2.1. The Term Loans may from time to time be Eurodollar Loans or Base Rate Loans, as determined by the Borrower and notified to the Administrative Agent in accordance with Sections 2.2 and 4.3. The Term Loans outstanding on the Closing Date are Base Rate Loans.

2.2. Repayment of Term Loans. (a) The Borrower shall repay to the Administrative Agent for the ratable account of the Cash-Pay Term Lenders the aggregate outstanding principal amount of the Cash-Pay Term Loans on the following dates in the amounts indicated:

Installment	Principal Amount[2]
March 31, 2010	$[_____]
June 30, 2010	$[_____]
September 30, 2010	$[_____]
December 31, 2010	$[_____]
March 31, 2011	$[_____]
June 30, 2011	$[_____]
September 30, 2011	$[_____]
December 31, 2011	$[_____]
March 31, 2012	$[_____]
June 30, 2012	$[_____]
September 30, 2012	$[_____]
December 31, 2012	$[_____]
March 31, 2013	$[_____]
June 30, 2013	$[_____]
September 30, 2013	$[_____]
December 31, 2013	$[_____]
March 31, 2014	$[_____]
June 30, 2014	$[_____] or remainder

; provided that the final installment payable by the Borrower in respect of the Cash-Pay Term Loans on such date shall be in an amount, if such amount is different from that specified above, sufficient to repay all amounts owing by the Borrower under this Agreement with respect to the Cash-Pay Term Loans.

(b) The PIK Term Loans and all other amounts owed hereunder with respect to the PIK Term Loans shall be paid in full on the Term Loan Maturity Date.

[2] To be inserted on the Closing Date, each installment to equal one quarter of one percent of the principal balance of the Cash-Pay Term Loans on the Closing Date.

SECTION 3. AMOUNT AND TERMS OF REVOLVING COMMITMENTS

3.1. Revolving Commitments. (a) Subject to the terms and conditions hereof, each Revolving Lender severally agrees to make revolving credit loans ("Revolving Loans") 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 the sum of such Lender's (x) allocated exposure pursuant to Section 4.16 with respect to L/C Obligations and Swingline Participation Amounts of Defaulting Lenders and (y) Revolving Percentage of the sum of (i) the L/C Obligations then outstanding and (ii) the aggregate principal amount of the Swingline Loans then outstanding (in each case after giving effect to the use of proceeds thereof to reimburse L/C Obligations or repay Swingline Loans), 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 and reborrowing the Revolving Loans in whole or in part, all in accordance with the terms and conditions hereof. The Revolving Loans may from time to time be Eurodollar Loans or Base Rate Loans, as determined by the Borrower and notified to the Administrative Agent in accordance with Sections 3.2 and 4.3. In no event shall the Total Revolving Extensions of Credit at any time exceed the Borrowing Base then in effect.

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

3.2. 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 (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 Eurodollar Loans, or (b) one Business Day prior to the requested Borrowing Date, in the case of Base Rate Loans) (provided that any such notice of a borrowing of Base Rate Loans to finance payments required to be made pursuant to Section 3.5 may be given not later than 10:00 A.M., New York City time, on the date of the proposed borrowing), substantially in the form of Exhibit F specifying (i) the amount and Type of Revolving Loans to be borrowed, (ii) the requested Borrowing Date, (iii) the Borrowing Base then in effect, (iv) the Total Revolving Extensions of Credit then outstanding (both prior to, and after giving effect to, the proposed borrowing) and (v) in the case of Eurodollar Loans, the respective amounts of each such Type of Loan and the respective lengths of the initial Interest Period therefor. Any Revolving Loans outstanding under the DIP Credit Agreement on the Closing Date pursuant to the Plan of Reorganization shall be exchanged for Revolving Loans under this Agreement and shall initially be Base Rate Loans. Each borrowing under the Revolving Commitments shall be in an amount equal to (x) in the case of Base Rate Loans, $500,000 or integral multiples 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 Eurodollar Loans, $500,000 or integral multiples of $100,000 in excess thereof; provided, that (x) the Swingline Lender may request, on behalf of the Borrower, borrowings under the Revolving Commitments that are Base Rate Loans in other amounts pursuant to Section 3.4 and (y) borrowings of Base Rate Loans pursuant to Section 3.11 shall not be subject to the foregoing minimum amounts. 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 12:00 Noon, New York City time, on the Borrowing Date requested by the Borrower 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.

3.3. Swingline Commitment. (a) Subject to the terms and conditions hereof, the Swingline Lender agrees to make a portion of the credit otherwise available to the Borrower under the Revolving Commitments from time to time during the Revolving Commitment Period by making swing line loans ("Swingline Loans") to the Borrower; provided that (i) no more than one Swingline Loan may be outstanding at any time, (ii) the aggregate principal amount of Swingline Loans outstanding at any time shall not exceed the Swingline Commitment then in effect (notwithstanding that the Swingline Loans outstanding at any time, when aggregated with the Swingline Lender's other outstanding Revolving Loans hereunder, may exceed the Swingline Commitment then in effect) and (iii) the Borrower shall not request, and the Swingline Lender shall not make, any Swingline Loan if, after giving effect to the making of such Swingline Loan, the aggregate amount of the Available Revolving Commitments would be less than zero (and, in no event shall the Total Revolving Extensions of Credit at any time exceed the Borrowing Base then in effect). During the Revolving Commitment Period, the Borrower may use the Swingline Commitment by borrowing, repaying and reborrowing, all in accordance with the terms and conditions hereof. Swingline Loans shall be Base Rate Loans only.

The Borrower shall repay any Swingline Loans within seven days of the date on which such Swingline Loan was made and shall repay all outstanding Swingline Loans on the Revolving Termination Date.

3.4. Procedure for Swingline Borrowing; Refunding of Swingline Loans. (a) Whenever the Borrower desires that the Swingline Lender make Swingline Loans it shall give the Swingline Lender irrevocable telephonic notice confirmed promptly in writing (which telephonic notice must be received by the Swingline Lender not later than 1:00 P.M., New York City time, on the proposed Borrowing Date), specifying (i) the amount to be borrowed, (ii) the requested Borrowing Date (which shall be a Business Day during the Revolving Commitment Period), (iii) the Borrowing Base then in effect and (iv) the Total Revolving Extensions of Credit then outstanding (prior to, and after giving effect to, the proposed borrowing). Concurrently with any request for a Swingline Loan made in accordance with the preceding sentence, the Borrower shall deliver a request for a Revolving Loan to the Administrative Agent in accordance with Section 3.2, which request shall be for an amount equal to the requested Swingline Loan, the proceeds of such Revolving Loan to be used to repay any outstanding Swingline Loans. Each borrowing under the Swingline Commitment shall be in an amount equal to $500,000 or a whole multiple of $100,000 in excess thereof. Not later than 3:00 P.M., New York City time, on the Borrowing Date specified in a notice in respect of Swingline Loans, the Swingline Lender shall make available to the Administrative Agent at the Funding Office an amount in immediately available funds equal to the amount of the Swingline Loan to be made by the Swingline Lender. The Administrative Agent shall make the proceeds of such Swingline Loan available to the Borrower on such Borrowing Date by depositing such proceeds in the account of

the Borrower with the Administrative Agent on such Borrowing Date in immediately available funds.

(b) The Swingline Lender, at any time and from time to time in its sole and absolute discretion may, on behalf of the Borrower (which hereby irrevocably directs the Swingline Lender to act on its behalf), on one Business Day's notice given by the Swingline Lender no later than 12:00 Noon, New York City time, request each Revolving Lender to make, and each Revolving Lender hereby agrees to make, irrespective of the satisfaction of conditions to such Loan specified in Section 6.2, a Revolving Loan, in an amount equal to such Revolving Lender's Revolving Percentage of the aggregate amount of the Swingline Loans (the "Refunded Swingline Loans") outstanding on the date of such notice, to repay the Swingline Lender. Each Revolving Lender shall make the amount of such Revolving Loan available to the Administrative Agent at the Funding Office in immediately available funds, not later than 10:00 A.M., New York City time, one Business Day after the date of such notice. The proceeds of such Revolving Loans shall be immediately made available by the Administrative Agent to the Swingline Lender for application by the Swingline Lender to the repayment of the Refunded Swingline Loans. The Borrower irrevocably authorizes the Swingline Lender to charge the Borrower's accounts with the Administrative Agent (up to the amount available in each such account) in order to immediately pay the amount of such Refunded Swingline Loans to the extent amounts received from the Revolving Lenders are not sufficient to repay in full such Refunded Swingline Loans.

(c) If prior to the time a Revolving Loan would have otherwise been made pursuant to Section 3.4(b), one of the events described in Section 9(f) shall have occurred and be continuing with respect to the Borrower or if for any other reason, as determined by the Swingline Lender in its sole discretion, Revolving Loans may not be made as contemplated by Section 3.4(b), each Revolving Lender shall, on the date such Revolving Loan was to have been made pursuant to the notice referred to in Section 3.4(b) (the "Refunding Date"), purchase for cash an undivided participating interest in the then outstanding Swingline Loans by paying to the Swingline Lender an amount (the "Swingline Participation Amount") equal to (i) such Revolving Lender's Revolving Percentage times (ii) the sum of the aggregate principal amount of Swingline Loans then outstanding that were to have been repaid with such Revolving Loans.

(d) Whenever, at any time after the Swingline Lender has received from any Revolving Lender such Lender's Swingline Participation Amount, the Swingline Lender receives any payment on account of the Swingline Loans, the Swingline Lender will distribute to such Lender its Swingline Participation Amount (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's participating interest was outstanding and funded and, in the case of principal and interest payments, to reflect such Lender's pro rata portion of such payment if such payment is not sufficient to pay the principal of and interest on all Swingline Loans then due); provided, however, that in the event that such payment received by the Swingline Lender is required to be returned, such Revolving Lender will return to the Swingline Lender any portion thereof previously distributed to it by the Swingline Lender.

Each Revolving Lender's obligation to make the Loans referred to in Section 3.4(b) and to purchase participating interests pursuant to Section 3.4(c) 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 Revolving Lender or the Borrower may have against the Swingline 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 6; (iii) any adverse change in the condition (financial or otherwise) of the Borrower; (iv) any breach of this Agreement or any other Loan Document by the Borrower, any other Loan Party or any other Revolving Lender; or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

3.5. Commitment Fees, etc. (a) The Borrower agrees to pay to the Administrative Agent for the account of each Revolving Lender a commitment fee for the period from and including the Closing Date to the last day of the Revolving Commitment Period, computed at the Commitment Fee Rate on the average daily amount of the Available Revolving Commitment of such Lender during the period for which payment is made, payable quarterly in arrears on the last day of each March, June, September and December and on the Revolving Termination Date, commencing on the first of such dates to occur after the date hereof.

(b) The Borrower agrees to pay to the Administrative Agent the fees in the amounts and on the dates previously agreed to in writing by the Borrower and the Administrative Agent.

3.6. Termination or Reduction of Revolving Commitments. The Borrower shall have the right, upon not less than three Business Days' notice to the Administrative Agent, to terminate the Revolving Commitments or, from time to time, to reduce the amount of the Revolving Commitments; provided that no such termination or reduction of Revolving Commitments shall be permitted if, after giving effect thereto and to any prepayments of the Revolving Loans and Swingline Loans made on the effective date thereof, the Total Revolving Extensions of Credit would exceed (x) the Total Revolving Commitments then in effect or (y) the Borrowing Base then in effect. Any such reduction shall be in an amount equal to $1,000,000, or a whole multiple thereof, and shall reduce permanently the Revolving Commitments then in effect.

3.7. L/C Commitment. (a) Subject to the terms and conditions hereof, the Issuing Lender, in reliance on the agreements of the other Revolving Lenders set forth in Section 3.10(a), agrees to issue standby letters of credit ("Letters of Credit") for the account of the Borrower on any Business Day during the Revolving Commitment Period in such form as may be approved from time to time by the Issuing Lender; provided that the Issuing Lender shall have no 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 (and, in no event shall the Total Revolving Extensions of Credit at any time exceed the Borrowing Base then in effect). Each Letter of Credit shall (i) be denominated in Dollars, (ii) have a face amount of at least $50,000 (unless otherwise agreed by the Issuing Lender) and (iii) expire no later than the earlier of (x) the first anniversary of its date of issuance and (y) the date that is five Business Days prior to the Revolving Termination Date, provided that any Letter of Credit with a one-year term may provide for the renewal thereof for additional one-year periods (which shall in no event extend

beyond the date referred to in clause (y) above). On the Closing Date, each letter of credit issued pursuant to the DIP Credit Agreement shall be deemed to be a Letter of Credit hereunder.

(b) The Issuing Lender shall not at any time be obligated to issue any Letter of Credit hereunder if such issuance would conflict with, or cause the Issuing Lender or any L/C Participant to exceed any limits imposed by, any applicable Requirement of Law.

3.8. Procedure for Issuance of Letter of Credit. The Borrower may from time to time request that the Issuing Lender issue a Letter of Credit by delivering to the Issuing Lender at its address for notices specified herein (i) an Application therefor, completed to the satisfaction of the Issuing Lender, and such other certificates, documents and other papers and information as the Issuing Lender may request and (ii) a certificate specifying (x) the Borrowing Base then in effect and (y) the Total Revolving Extensions of Credit then outstanding (both prior to, and after giving effect to, the requested Letter of Credit). Upon receipt of any Application, the Issuing Lender will notify the Administrative Agent of the amount, the beneficiary and the requested expiration of the requested Letter of Credit, and upon receipt of confirmation from the Administrative Agent that after giving effect to the requested issuance, the Available Revolving Commitments would not be less than zero, the 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 the Letter of Credit requested thereby (but in no event shall the Issuing Lender be required to issue 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 to the beneficiary thereof or as otherwise may be agreed to by the Issuing Lender and the Borrower. The Issuing Lender shall furnish a copy of such Letter of Credit to the Borrower (with a copy to the Administrative Agent) promptly following the issuance thereof. The Issuing Lender shall promptly furnish to the Administrative Agent, which shall in turn promptly furnish to the Lenders, notice of the issuance of each Letter of Credit (including the amount thereof).

3.9. Fees and Other Charges. (a) The Borrower will 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 the Eurodollar Loans under the Revolving Facility, shared ratably among the Revolving Lenders and payable quarterly in arrears on each L/C Fee Payment Date after the issuance date. In addition, the Borrower shall pay to the Issuing Lender for its own account a fronting fee on the undrawn and unexpired amount of each Letter of Credit at a per annum rate equal to 0.25%, payable quarterly in arrears on each L/C Fee Payment Date after the Issuance Date.

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

3.10. L/C Participations. (a) The Issuing Lender irrevocably agrees to grant and hereby grants to each L/C Participant, and, to induce the Issuing Lender to issue Letters of Credit hereunder, each L/C Participant irrevocably agrees to accept and purchase and hereby

accepts and purchases from the 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 the Issuing Lender's obligations and rights under and in respect of each Letter of Credit issued hereunder and the amount of each draft paid by the Issuing Lender thereunder. Each L/C Participant unconditionally and irrevocably agrees with the Issuing Lender that, if a draft is paid under any Letter of Credit for which the Issuing Lender is not reimbursed in full by the Borrower in accordance with the terms of this Agreement, such L/C Participant shall pay to the Administrative Agent upon demand of the Issuing Lender 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. The Administrative Agent shall promptly forward such amounts to the Issuing Lender.

(b) If any amount required to be paid by any L/C Participant to the Administrative Agent for the account of the Issuing Lender pursuant to Section 3.10(a) in respect of any unreimbursed portion of any payment made by the Issuing Lender under any Letter of Credit is paid to the Administrative Agent for the account of the Issuing Lender within three Business Days after the date such payment is due, such L/C Participant shall pay to the Administrative Agent for the account of the 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 the 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 3.10(a) is not made available to the Administrative Agent for the account of the Issuing Lender by such L/C Participant within three Business Days after the date such payment is due, the 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 Base Rate Loans under the Revolving Facility. A certificate of the Issuing Lender submitted to any L/C Participant with respect to any amounts owing under this Section shall be conclusive in the absence of manifest error.

(c) Whenever, at any time after the 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 3.10(a), the Administrative Agent or the Issuing Lender receives any payment related to such Letter of Credit (whether directly from the Borrower or otherwise, including proceeds of collateral applied thereto by the Issuing Lender), or any payment of interest on account thereof, the Administrative Agent or the Issuing Lender, as the case may be, will distribute to such L/C Participant its pro rata share thereof; provided, however, that in the event that any such payment received by Administrative Agent or the Issuing Lender, as the case may be, shall be required to be returned by the Administrative Agent or the Issuing Lender, such L/C Participant shall return to the Administrative Agent for the account of the Issuing Lender the portion thereof previously distributed by the Administrative Agent or the Issuing Lender, as the case may be, to it.

3.11. Reimbursement Obligation of the Borrower. The Borrower agrees to reimburse the Issuing Lender on the same Business Day on which the Issuing Lender notifies the Borrower of the date and amount of a draft presented under any Letter of Credit and paid by the

Issuing Lender for the amount of (a) such draft so paid and (b) any taxes, fees, charges or other costs or expenses incurred by the Issuing Lender in connection with such payment. Each such payment shall be made to the Issuing Lender at its address for notices referred to herein 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 the rate set forth in (i) until the Business Day next succeeding the date of the relevant notice, Section 4.5(b) and (ii) thereafter, Section 4.5(c). Each drawing under any Letter of Credit shall (unless an event of the type described in clause (i) or (ii) of Section 9(f) shall have occurred and be continuing with respect to the Borrower, in which case the procedures specified in Section 3.10 for funding by L/C Participants shall apply) constitute a request by the Borrower to the Administrative Agent for a borrowing pursuant to Section 3.2 of Base Rate Loans (or, at the option of the Administrative Agent and the Swingline Lender in their sole discretion, a borrowing pursuant to Section 3.4 of Swingline Loans) in the amount of such drawing. The Borrowing Date with respect to such borrowing shall be the first date on which a borrowing of Revolving Loans (or, if applicable, Swingline Loans) could be made, pursuant to Section 3.2 or, if applicable, Section 3.4), if the Administrative Agent had received a notice of such borrowing at the time the Administrative Agent receives notice from the Issuing Lender of such drawing under such Letter of Credit.

3.12. Obligations Absolute. The Borrower's obligations under Section 3.11 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 the Issuing Lender, any beneficiary of a Letter of Credit or any other Person. The Borrower also agrees with the Issuing Lender that the Issuing Lender shall not be responsible for, and the Borrower's Reimbursement Obligations under Section 3.11 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. The Issuing Lender shall not 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 or omissions found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the Issuing Lender. The Borrower agrees that any action taken or omitted by the 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 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 the Issuing Lender to the Borrower.

3.13. Letter of Credit Payments. If any draft shall be presented for payment under any Letter of Credit, the Issuing Lender shall promptly notify the Borrower of the date and amount thereof. The responsibility of the Issuing Lender to the Borrower in connection with any draft presented for payment under any Letter of Credit 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.

3.14. 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.

3.15. Cash Collateralization of Letters of Credit.

(a) If any Event of Default shall occur and be continuing and the Borrower receives notice from the Administrative Agent, Required Lenders or Majority Facility Lenders with respect to the Revolving Facility demanding the deposit of cash collateral pursuant to this paragraph, then by no later than the third Business Day following the Business Day that the Borrower receives such notice the Borrower shall deposit on terms and in accounts reasonably satisfactory to the Collateral Agent, in the name of the Collateral Agent and for the benefit of the Revolving Lenders, an amount in cash equal to 105% of the aggregate undrawn amount of all outstanding Letters of Credit as of such date; provided that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Borrower described in Section 9(f). Funds so deposited shall be applied by the Collateral Agent to the Borrower's unpaid Reimbursement Obligations and, to the extent not so applied, shall be held for the satisfaction of future Reimbursement Obligations or, if the maturity of the Loans has been accelerated (but subject to the consent of Majority Facility Lenders with respect to the Revolving Facility), be applied to satisfy other Obligations of the Borrower under this Agreement.

(b) If the Borrower is required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, such amount plus any accrued interest or realized profits with respect to such amounts (to the extent not applied as aforesaid) shall be returned to the Borrower within five (5) Business Days after all Events of Default have been cured or waived. Additionally, if the Borrower was required hereunder to provide cash collateral other than as a result of the occurrence of an Event of Default and the amount of such cash collateral subsequently exceeds the amount then required under this Agreement, any such excess cash collateral shall be returned to the Borrower upon the Borrower's written request.

SECTION 4. GENERAL PROVISIONS APPLICABLE TO LOANS AND LETTERS OF CREDIT

4.1. Optional Prepayments. The Borrower may at any time and from time to time prepay the Loans, in whole or in part, without premium or penalty, upon irrevocable notice delivered to the Administrative Agent no later than 11:00 A.M., New York City time, three Business Days prior thereto, in the case of Eurodollar Loans, and no later than 11:00 A.M., New York City time, one Business Day prior thereto, in the case of Base Rate Loans, which notice shall specify the date and amount of prepayment and whether the prepayment is of Eurodollar Loans or Base Rate Loans; provided, that if a Eurodollar 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 4.11. 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 Base Rate Loans and Swingline Loans) accrued interest to such

date on the amount prepaid. Partial prepayments of Term Loans and Revolving Loans shall be in an aggregate principal amount of $1,000,000 or a whole multiple thereof. Partial prepayments of Swingline Loans shall be in an aggregate principal amount of $100,000 or integral multiples of $100,000 in excess thereof.

4.2. Mandatory Prepayments and Commitment Reductions. (a) If any Capital Stock shall be issued by Holdings or the Borrower or any capital contribution is made to Holdings or the Borrower, an amount equal to 100% of the Net Cash Proceeds thereof shall be applied on the date of such issuance, incurrence or contribution toward the prepayment of the Loans and the reduction of the Revolving Commitments as set forth in Section 4.2(e); provided, however, that this Section 4.2(a) shall not apply to (x) Cure Amounts and (y) Net Cash Proceeds received from Eligible Equity Contributions. Net Cash Proceeds exempted from prepayment pursuant to the proviso to the preceding sentence must be designated in writing by the Borrower as exempt within five Business Days after receipt thereof by Holdings.

(b) If any Indebtedness shall be incurred by any Group Member (other than Excluded Indebtedness), an amount equal to 100% of the Net Cash Proceeds thereof shall be applied on the date of such issuance, incurrence or contribution toward the prepayment of the Loans and the reduction of the Revolving Commitments as set forth in Section 4.2(e).

(c) If on any date any Group Member shall receive Net Cash Proceeds from any Asset Sale or Recovery Event then such Net Cash Proceeds shall be applied on such date toward the prepayment of Loans and the reduction of the Revolving Commitments as set forth in Section 4.2(e); provided, that, notwithstanding the foregoing, (i) the aggregate Net Cash Proceeds of Asset Sales and Recovery Events that may be excluded from the foregoing requirement pursuant to a Reinvestment Notice shall not exceed $5,000,000 in the aggregate and (ii) on each Reinvestment Prepayment Date, an amount equal to the Reinvestment Prepayment Amount with respect to the relevant Reinvestment Event shall be applied toward the prepayment of the Loans and the reduction of the Revolving Commitments as set forth in Section 4.2(e).

(d) If, for any fiscal year of the Borrower commencing with the fiscal year ending in December 2010, if, (x) for any fiscal year of the Borrower and (y) for the first two fiscal quarters of any fiscal year of the Borrower, there shall be Excess Cash Flow, the Borrower shall, on the relevant Excess Cash Flow Application Date, apply the ECF Percentage of such Excess Cash Flow toward the prepayment (each, an "ECF Payment") of the Loans and the reduction of the Revolving Commitments as set forth in Section 4.2(e); provided that, in the case of any ECF Payment with respect of Excess Cash Flow for a full fiscal year, such ECF Payment shall be reduced by the amount of ECF Payments made in respect of Excess Cash Flow for the first two fiscal quarters of such fiscal year. Each such prepayment and commitment reduction shall be made on a date (an "Excess Cash Flow Application Date") no later than (A) in the case of an ECF Payment for a full fiscal year, five days after the earlier of (i) the date on which the financial statements of the Borrower referred to in Sections 7.1(a) for such fiscal year are required to be delivered to the Lenders and (ii) the date such financial statements are actually delivered to the Lenders and (B) in the case of an ECF Payment for the first two fiscal quarters of any fiscal year, five days after the earlier of (i) the date on which the financial statements of the Borrower referred to in Sections 7.1(b) for the last fiscal quarter of such period are required

to be delivered to the Lenders and (ii) the date such financial statements are actually delivered to the Lenders.

(e) Amounts to be applied in connection with prepayments of Loans and Revolving Commitment reductions made pursuant to Sections 4.2(a), (b) and (d) shall be applied, (i) so long as no Event of Default has occurred and is continuing, first, to the ratable prepayment of the Term Loans (with prepayments of Cash-Pay Term Loans applied to the scheduled payments set forth in Section 2.2 in the inverse order of when such payments are due) and second, to reduce permanently the Revolving Commitments until Payment in Full of the Revolving Facility, and (ii) so long as an Event of Default has occurred and is continuing, first, to reduce permanently the Revolving Commitments (except that the Borrower may elect in writing to not have voluntary prepayments permanently reduce Revolving Commitments) and to repay Revolving Loans until the Payment in Full of the Revolving Facility, and second, to the ratable prepayment of the Term Loans (with prepayments of Cash-Pay Term Loans applied to the scheduled payments set forth in Section 2.2 in the inverse order of when such payments are due). Amounts to be applied in connection with prepayments of Loans and Revolving Commitment reductions made pursuant to Section 4.2(c) shall be applied in accordance with clause (ii) of the preceding sentence (regardless of whether any Event of Default may exist). Any such reduction of the Revolving Commitments shall be accompanied by prepayment of the Revolving Loans and/or Swingline 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 and Swingline 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, Cash Collateralize outstanding Letters of Credit. The application of any prepayment pursuant to Section 4.2 shall be made, first, to Base Rate Loans and, second, to Eurodollar Loans. Each prepayment of the Loans under Section 4.2 (except in the case of Revolving Loans that are Base Rate Loans and Swingline Loans) shall be accompanied by accrued and unpaid interest to the date of such prepayment on the amount prepaid.

(f) The Borrower shall from time to time prepay Revolving Loans (and, after prepaying all Revolving Loans, Cash Collateralize any outstanding Letters of Credit) to the extent necessary so that the Total Revolving Extensions of Credit shall not at any time exceed the lesser of (1) the Total Revolving Commitments then in effect and (2) the Borrowing Base then in effect.

(g) The Borrower shall calculate the aggregate balance of cash and Cash Equivalents held by the Loan Parties (calculated based on bank balances, without deduction of any outstanding drafts or other outstanding items) as of the last Business Day of the second week after the Closing Date, and each second week thereafter (each such date, a "Cash Measurement Date") and shall deliver to the Administrative Agent on the first Business Day following each Cash Measurement Date a certificate in the form of Exhibit M (a "Bi-Weekly Cash Report"), and if such balance exceeds $10,000,000, then the amount of such excess shall be applied on the next Business Day to the prepayment of any outstanding Revolving Loans (without reduction of Revolving Commitments); provided, however, that during any Reduced Leverage Period the Cash Measurement Dates shall be limited to the last Business Day of each calendar month; provided, however, that should the Borrower fail to deliver such certificate referenced above on

any Cash Measurement Date, any Lender (or any affiliate of a Lender) holding cash deposits of any Loan Party shall be authorized by the Borrower on the next succeeding Business Day to transfer to the Administrative Agent the amount of such excess amounts, as determined by such Lender or Lender affiliate in good faith, then held in accounts with such Lender or Lender affiliate, and the Borrower and each Lender agrees that neither such Lender or Lender affiliate nor the Administrative Agent shall bear any liability for any error in the determination of such excess amounts and in such event no Default or Event of Default shall be deemed to occur by reason of such failure.

4.3. Conversion and Continuation Options. (a) The Borrower may elect from time to time to convert Eurodollar Loans to Base Rate Loans by giving the Administrative Agent prior irrevocable notice of such election no later than 11:00 A.M., New York City time, on the Business Day preceding the proposed conversion date, provided that any such conversion of Eurodollar Loans may only be made on the last day of an Interest Period with respect thereto. The Borrower may elect from time to time to convert Base Rate Loans to Eurodollar Loans by giving the Administrative Agent prior irrevocable notice of such election no later than 11:00 A.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 Base Rate Loan under a particular Facility may be converted into a Eurodollar Loan when any Event of Default has occurred and is continuing and the Administrative Agent has or the Required Lenders 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 Eurodollar Loan may be continued as such upon the expiration of the then current Interest Period with respect thereto 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, of the length of the next Interest Period to be applicable to such Loans, provided that no Eurodollar 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 Required Lenders have determined in its or their sole discretion not to permit such continuations, 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 Base Rate 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.

4.4. Limitations on Eurodollar Tranches. Notwithstanding anything to the contrary in this Agreement, all borrowings, conversions and continuations of Eurodollar Loans hereunder and all selections of Interest Periods hereunder 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 Eurodollar Loans comprising each Eurodollar Tranche shall be equal to $1,000,000 or integral multiples of $100,000 in excess thereof and (b) no more than five Eurodollar Tranches shall be outstanding at any one time.

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

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

(c) (i) If all or a portion of the principal amount of any Loan or Reimbursement Obligation shall not be paid when due (whether at the stated maturity, by acceleration or otherwise) or an Event of Default under Section 9(f) has occurred and is continuing, all outstanding Loans and Reimbursement Obligations (whether or not overdue) shall bear interest at a rate per annum equal to (x) in the case of the Loans, the rate that would otherwise be applicable thereto pursuant to the foregoing provisions of this Section plus 2% or (y) in the case of Reimbursement Obligations, the rate applicable to Base Rate Loans under the Revolving Facility plus 2%, and (ii) if all or a portion of any interest payable on any Loan or Reimbursement Obligation or any commitment fee or other amount payable hereunder shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest at a rate per annum equal to the rate then applicable to Base Rate Loans 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 Base Rate Loans under the Revolving Facility plus 2%), in each case, with respect to clauses (i) and (ii) above, from the date of such non payment until such amount is paid in full (after as well as before judgment).

(d) Interest shall be payable 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; provided, further, that, solely with respect to interest accruing on PIK Term Loans at the highest rate specified for Eurodollar Loans or Base Rate Loans, as applicable, in the definition of the term "Applicable Margin," the portion of the interest in excess of 1.00% per annum (such excess, the "PIK Interest") shall, in lieu of payment thereof in cash, be added to the principal balance of each PIK Term Loan to which it applies on such Interest Payment Date, unless Borrower elects to pay such accrued interest in cash on such Interest Payment Date. If the Borrower delivers written notice to the Administrative Agent, concurrently with its delivery of a notice of conversion or continuation pursuant to Section 4.3, of its election to accrue interest on a cash pay basis with respect to the PIK Loans to which such conversion or continuation notice applies (a "Cash Pay Election"), then such interest shall be calculated in accordance with the first proviso to the definition of the term "Applicable Margin" and such interest shall be payable in cash on the applicable Interest Payment Date, notwithstanding anything to the contrary in the preceding sentence. A Cash Pay Election, and the interest election to which it pertains, will remain in effect and may not be changed or rescinded until the applicable Interest Payment Date, provided, however, that a Cash Pay Election made with respect to Eurodollar Loans with an Interest Period of six months may be terminated on the date which is three months after such Interest Period begins by written notice of such rescission delivered to the Administrative Agent no less than three Business Days prior to such termination date. A Cash Pay Election will be deemed to terminate on the applicable Interest Payment Date unless another Cash Pay Election is timely delivered with respect to the period after such Interest Payment Date. For the avoidance of doubt, the foregoing requirements for a timely Cash Pay Election pertain only to the rate of

interest accrual, and nothing in the foregoing limits the Borrower's right to elect to pay interest in cash.

(e) Notwithstanding anything to the contrary in the foregoing Section 4.5(b), any Lender may elect to receive a PIK Fee in respect of specified PIK Term Loans in lieu of the PIK Interest. Any such election (a "Fee Election") shall be deemed effective with respect to all PIK Interest which is accrued and unpaid with respect to the specified PIK Term Loans as of the date on which written notice of such Fee Election is delivered by such Lender to the Administrative Agent and the Borrower, and shall continue to apply from and after such date. Loans that are subject to a Fee Election are referred to herein as "Fee Election Loans". Any Fee Election will be deemed revoked with respect to PIK Term Loans that are assigned, effective upon the consummation of such assignment, unless (i) such assignment is made to an Affiliate or Approved Fund of the assigning Lender or (ii) the Assignee delivers a written Fee Election to the Administrative Agent and the Borrower. Interest accruing on Fee Election Loans shall be reduced by the amount of any PIK Interest that would otherwise apply, from and after the effective date of such election. Borrower shall pay on each Fee Election Loan a fee (the "PIK Fee") equal to the PIK Interest that would have accrued in respect of such Loans but for the Fee Election, which fee shall be payable on the Interest Payment Date on which such PIK Interest would otherwise have been payable. Any applicable PIK Fee shall, in lieu of payment thereof in cash, be added to the principal balance of each PIK Term Loan to which it applies on such Interest Payment Date, provided that any PIK Interest payable with respect to other PIK Term Loans on such Interest Payment Date is added to the principal balance of those PIK Term Loans. Any Lender holding PIK Term Loans subject to a Fee Election may subsequently revoke such Fee Election, which revocation shall be deemed effective with respect to all PIK Fees which are accrued and unpaid with respect to the specified PIK Term Loans as of the date on which written notice of such revocation is delivered by such Lender to the Administrative Agent and the Borrower, and shall continue to apply from and after such date.

4.6. 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 Base Rate 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. The Administrative Agent shall as soon as practicable notify the Borrower and the relevant Lenders of each determination of a Eurodollar Rate. Any change in the interest rate on a Loan resulting from a change in the Base Rate 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 conclusive and binding on the Borrower and the Lenders 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 4.5(a).

4.7. 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 conclusive and binding upon the Borrower) that, by reason of circumstances affecting the relevant market, adequate and reasonable means do not exist for ascertaining the Eurodollar Rate for such Interest Period, or

(b) the Administrative Agent shall have received notice from the Majority Facility Lenders in respect of the relevant Facility that the Eurodollar Rate determined or to be determined for such Interest Period will not adequately and fairly reflect the cost to such Lenders (as conclusively 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 Eurodollar Loans under the relevant Facility requested to be made on the first day of such Interest Period shall be made as Base Rate Loans, (y) any Loans under the relevant Facility that were to have been converted on the first day of such Interest Period to Eurodollar Loans shall be continued as Base Rate Loans and (z) any outstanding Eurodollar Loans under the relevant Facility shall be converted, on the last day of the then-current Interest Period, to Base Rate Loans. Until such notice has been withdrawn by the Administrative Agent, no further Eurodollar 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 Eurodollar Loans.

4.8. 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 Commitments of the Lenders shall be made pro rata according to the respective Cash-Pay Term Loan Percentages, PIK Term Loan Percentages or Revolving Percentages, as the case may be, of the relevant Lenders.

(b) Each payment (including each prepayment) by the Borrower on account of principal of and interest on the Term Loans shall be made pro rata according to the respective outstanding principal amounts of the Term Loans then held by the Term Lenders. The amount of each principal prepayment of the Cash-Pay Term Loans shall be applied to reduce the then remaining installments of the Cash-Pay Term Loans pro rata based upon the then remaining principal amount thereof. 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.

(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 12:00 Noon, New York City time, on the due

date thereof to the Administrative Agent, for the account of the Lenders, at the Funding Office, in Dollars and in immediately available funds. The Administrative Agent shall distribute such payments to the Lenders promptly upon receipt in like funds as received. If any payment hereunder (other than payments on the Eurodollar 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 Eurodollar 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 conclusive 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 of such Borrowing Date, the Administrative Agent shall also be entitled to recover such amount with interest thereon at the rate per annum applicable to Base Rate Loans under the relevant Facility, on demand, from the Borrower.

(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 the Administrative Agent may, but shall not be required to, in reliance upon such assumption, make available to the 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 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) For the avoidance of doubt it is agreed that this Section 4.8 shall not apply to any Permitted Loan Purchase, the issuance of equity in exchange for Term Loans purchased pursuant to any Permitted Loan Purchase or the cancellation of such Loans in connection therewith.

4.9. 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 made 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 Eurodollar Loan made by it, or change the basis of taxation of payments to such Lender in respect thereof (except for Non-Excluded Taxes covered by Section 4.10 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 Eurodollar Rate hereunder; or

(iii) shall impose on such Lender any other condition;

and the result of any of the foregoing is to increase the cost to such Lender, by an amount that such Lender deems to be material, of making, converting into, continuing or maintaining Eurodollar Loans or issuing or participating in Letters of Credit, or to reduce any amount receivable hereunder in respect thereof, then, in any such case, the Borrower shall promptly pay such Lender, upon its demand, 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 paragraph, 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 made 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 written request therefor, 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 conclusive 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 six 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 six-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 Loans and all other amounts payable hereunder.

4.10. Taxes. (a) All payments made by the Borrower under this Agreement shall be made free and clear of, and without deduction or withholding for or on account of, any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority, excluding net income taxes and franchise taxes (imposed in lieu of net income taxes) imposed on any Agent or any Lender as a result of a present or former connection between such Agent or such Lender 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 such 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). If any such non-excluded taxes, levies, imposts, duties, charges, fees, deductions or withholdings ("Non-Excluded Taxes") or Other Taxes are required to be withheld from any amounts payable to any Agent or any Lender hereunder, the amounts so payable to such Agent or such Lender shall be increased to the extent necessary to yield to such Agent or such Lender (after payment of all Non-Excluded Taxes and Other Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement, provided, however, that the Borrower shall not be required to increase any such amounts payable to any Lender with respect to any Non-Excluded Taxes (i) that are attributable to such Lender's failure to comply with the requirements of paragraph (d) or (e) of this Section or (ii) that are United States withholding taxes imposed on amounts payable to such Lender at the time such Lender becomes a party to this Agreement (or, in the case of a Participant, on the date such Participant becomes a Participant hereunder), 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 Non-Excluded 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 the Borrower, as promptly as possible thereafter the Borrower shall send to the Administrative Agent for its own account or for the account of the relevant Agent or Lender, as the case may be, a certified copy of an original official receipt received by the Borrower showing payment thereof. If the Borrower fails to pay any Non-Excluded Taxes or Other Taxes when due to the appropriate taxing authority or fails to remit to the Administrative Agent the required receipts or other required documentary evidence, the Borrower shall indemnify the Agents and the Lenders for any incremental taxes, interest or penalties that may become payable by any Agent or any Lender as a result of any such failure.

(d) Each Lender (or Transferee) that is not a "U.S. Person" as defined in Section 7701(a)(30) of the Code (a "Non U.S. Lender") shall deliver to the Borrower and the Administrative Agent (or, (x) in the case of a Participant, solely to the Lender from which the

related participation shall have been purchased and (y) in the case of an Assignee under an assignment to an affiliate of a Lender or an Approved Fund that is made pursuant to Section 11.6(b)(iii), the assigning Lender) two copies of either U.S. Internal Revenue Service Form W-8BEN or Form W-8ECI, or, in the case of a Non U.S. Lender claiming exemption from U.S. 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 G and a Form W-8BEN, or any subsequent versions thereof or successors thereto, properly completed and duly executed by such Non U.S. Lender claiming complete exemption from, or a reduced rate of, U.S. federal withholding tax on all payments by the Borrower under this Agreement and the other Loan Documents. Such forms shall be delivered by each Non U.S. 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 U.S. Lender shall deliver such forms promptly upon the obsolescence or invalidity of any form previously delivered by such Non U.S. Lender. Each Non-U.S. Lender shall promptly notify the Borrower at any time it determines that it is no longer in a position to provide any previously delivered certificate to the Borrower (or any other form of certification adopted by the U.S. taxing authorities for such purpose). Notwithstanding any other provision of this paragraph, a Non U.S. Lender shall not be required to deliver any form pursuant to this paragraph that such Non U.S. Lender is not legally able to deliver.

(e) A Lender that is entitled to an exemption from or reduction of non-U.S. withholding tax under the law of the jurisdiction in which the Borrower is located, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement shall deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable law or reasonably requested in writing by the Borrower, such properly completed and executed documentation prescribed by applicable law as will permit such payments to be made without withholding or at a reduced rate, provided that such Lender is legally entitled to complete, execute and deliver such documentation and in such Lender's judgment such completion, execution or submission would not materially prejudice the legal position of such Lender.

(f) If the Administrative Agent or any Lender determines, in its sole 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 4.10, it shall 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 4.10 with respect to the Non-Excluded Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of such 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 such 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) to such Agent or such Lender in the event such Agent or such Lender is required to repay such refund to such Governmental Authority. This paragraph shall not be construed to require any 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.

(g) The agreements in this Section shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder or under any other Loan Document.

4.11. Indemnity. The Borrower agrees to indemnify each Lender and to hold each Lender harmless from any loss, cost or expense that such Lender may sustain or incur as a consequence of (a) default by the Borrower in making a borrowing of, conversion into or continuation of Eurodollar 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 Eurodollar Loans after the Borrower has given a notice thereof in accordance with the provisions of this Agreement, (c) the making of a prepayment of or conversion from Eurodollar Loans on a day that is not the last day of an Interest Period with respect thereto or (d) any other default by the Borrower in the repayment of Eurodollar Loans when and as required pursuant to the terms of this Agreement. Such indemnification may include an amount equal to the excess, if any, of (i) the amount of interest that would have accrued on the amount so prepaid, or not so borrowed, converted or continued, for the period from the date of such prepayment or of such failure to borrow, convert or continue to the last day of such Interest Period (or, in the case of a failure to borrow, convert or continue, the Interest Period that would have commenced on the date of such failure) in each case at the applicable rate of interest for such Loans provided for herein (excluding, however, the Applicable Margin included therein, if any) over (ii) the amount of interest (as reasonably determined by such Lender) that would have accrued to such Lender on such amount by placing such amount on deposit for a comparable period with leading banks in the interbank eurodollar market. A certificate as to any amounts payable pursuant to this Section submitted to the Borrower by any Lender shall be conclusive in the absence of manifest error. This covenant shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

4.12. Change of Lending Office. Each Lender agrees that, upon the occurrence of any event giving rise to the operation of Section 4.9 or 4.10(a) 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 sole judgment of such Lender, cause such Lender and its lending office(s) to suffer no 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 4.9 or 4.10(a).

4.13. Replacement of Lenders. The Borrower shall be permitted to replace with a replacement financial institution any Lender that (a) requests reimbursement for amounts owing pursuant to Section 4.9 or 4.10(a) (such Lender, an "Affected Lender"), (b) is a Defaulting Lender, or (c) does not consent to any proposed amendment, modification, waiver or consent with respect to the provisions hereof or of any other Loan Document as contemplated by clauses (i), (ii), (iii), (iv), (v) and (vi) of Section 11.1 if the consent of the Required Lenders has been received with respect to such amendment, modification, waiver or consent (such Lender, a "Non-Consenting Lender"); 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) in the case of an Affected Lender, prior to any such replacement, such Lender shall have taken no action under Section 4.12 so as to eliminate the continued need for payment of amounts owing pursuant to Section 4.9 or 4.10(a), (iv) the replacement financial institution shall purchase, at par, all Loans and other amounts owing to such replaced Lender on or prior to the date of replacement, (v) the Borrower shall be liable to such replaced Lender under Section 4.11 if any Eurodollar Loan owing to such replaced Lender shall be purchased other than on the last day of the Interest Period relating thereto, (vi) the replacement financial institution, if not already a Lender, shall be reasonably satisfactory to the Administrative Agent, (vii) the replaced Lender shall be obligated to make such replacement in accordance with the provisions of Section 11.6 (provided that the Borrower shall be obligated to pay the registration and processing fee referred to therein), (viii) until such time as such replacement shall be consummated, the Borrower shall pay all additional amounts (if any) required pursuant to Section 4.9 or 4.10(a), as the case may be, (ix) 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 and (x) in the case of a Non-Consenting Lender, the replacement financial institution shall consent at the time of such assignment to each matter in respect of which the replaced Lender was a Non-Consenting Lender.

4.14. Evidence of Debt. (a) 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.

(b) The Administrative Agent, on behalf of the Borrower (or, in the case of an assignment not required to be recorded in the Register in accordance with the provisions of Section 11.6(b)(v), the assigning Lender, acting solely for this purpose as a non-fiduciary agent of the Borrower), shall maintain the Register (or, in the case of an assignment not required to be recorded in the Register in accordance with the provisions of Section 11.6(b)(v), a Related Party Register), in each case pursuant to Section 11.6(b), and a subaccount therein for each applicable Lender, in which shall be recorded (i) the amount of each Loan made to such Lender hereunder and any Note evidencing such Loan, the Type of such Loan and each Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to such Lender hereunder and (iii) both the amount of any sum received by the Administrative Agent (or, in the case of an assignment not required to be recorded in the Register in accordance with the provisions of Section 11.6(b)(v), the assigning Lender) hereunder from the Borrower and such Lender's share thereof.

(c) The entries made in the Register and the accounts of each Lender maintained pursuant to Section 4.14(a) 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 any Lender or the Administrative Agent 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.

(d) The Borrower agrees that, upon the request to the Administrative Agent by any Lender, the Borrower will execute and deliver to such Lender a promissory note of the

Borrower evidencing any Term Loans, Revolving Loans or Swingline Loans, as the case may be, of such Lender, substantially in the forms of Exhibit H-1, H-2, H-3 or H-4, respectively, with appropriate insertions as to date and principal amount.

4.15. 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 shall make it unlawful for any Lender to make or maintain Eurodollar Loans as contemplated by this Agreement, (a) the commitment of such Lender hereunder to make Eurodollar Loans, continue Eurodollar Loans as such and convert Base Rate Loans to Eurodollar Loans shall forthwith be canceled and (b) such Lender's Loans then outstanding as Eurodollar Loans, if any, shall be converted automatically to Base Rate 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 Eurodollar 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 4.11.

4.16. Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) if any L/C Obligations or Swingline Loans are then outstanding at the time a Lender becomes a Defaulting Lender then:

(i) such L/C Obligations and Swingline Participation Amounts shall be reallocated among the non-Defaulting Lenders in accordance with their respective Revolving Percentage but only to the extent the sum of all non-Defaulting Lenders' Revolving Extensions of Credit plus such Defaulting Lender's Revolving Percentage of the L/C Obligations and Swingline Participation Amount does not exceed the total of all non-Defaulting Lenders' Revolving Commitments;

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Borrower shall within one Business Day following notice by the Administrative Agent (x) first, prepay such Defaulting Lender's Swingline Participation Amount and (y) second, deposit on terms and in accounts reasonably satisfactory to the Collateral Agent, in the name of the Collateral Agent and for the Benefit of the Revolving Lenders, an amount in cash equal to 105% of such Defaulting Lender's Revolving Percentage of L/C Obligations then outstanding (after giving effect to any partial reallocation pursuant to clause (i) above), and such amount shall remain in such cash collateral account for so long as such Letters of Credit are outstanding;

(iii) if any portion of such Defaulting Lender's Revolving Percentage of outstanding Letters of Credit is reallocated to the non-Defaulting Lenders pursuant to clause (i) above, then (A) the fees required pursuant to Section 3.9(a) with respect to such portion shall be allocated among the non-Defaulting Lenders in accordance with their Revolving Percentages and (B) any cash collateral

provided for in clause (ii) above shall be returned to the Borrower to the extent of the reallocation; or

(iv) if any portion of such Defaulting Lender's Revolving Percentage of outstanding Letters of Credit is neither Cash Collateralized nor reallocated pursuant to this Section 4.16(b), then, without prejudice to any rights or remedies of the Issuing Lender or any Lender hereunder, the commitment fee that otherwise would have been payable to such Defaulting Lender (with respect to the portion of such Defaulting Lender's Revolving Commitment that was utilized by such Revolving Percentage of outstanding Letters of Credit) pursuant to Section 3.5 and any fees payable with respect to such Revolving Percentage of outstanding Letters of Credit shall be payable to the Issuing Lender until such Defaulting Lender's Revolving Percentage of outstanding Letters of Credit is Cash Collateralized and/or reallocated;

(b) so long as any Lender is a Defaulting Lender, the Swingline Lender shall not be required to fund any Swingline Loans and the Issuing Lender shall not be required to issue, amend or increase any Letter of Credit, unless it is satisfied that the related exposure will be 100% covered by the Revolving Commitments of the non-Defaulting Lenders and/or cash collateralized in accordance with clause (a)(ii) above, and participations in any such newly issued or increased Letter of Credit or newly made Swingline Loan shall be allocated among non-Defaulting Lenders in accordance with their respective Revolving Percentages (and Defaulting Lenders shall not participate therein); and

(c) any amount payable to such Defaulting Lender hereunder (whether on account of principal, interest, fees or otherwise and including any amount that would otherwise be payable to such Defaulting Lender pursuant to Section 11.7(a) but excluding amounts payable to such Defaulting Lender pursuant to Section 4.13) may, in lieu of being distributed to such Defaulting Lender, be retained by the Administrative Agent in a segregated non-interest bearing account and, subject to any applicable Requirements of Law, be applied at such time or times as may be determined by the Administrative Agent (i) first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder, (ii) second, pro rata, to the payment of any amounts owing by such Defaulting Lender to the Issuing Lender or Swingline Lender hereunder, (iii) third, to the funding of any Loan or the funding or cash collateralization of any participation in any Swingline Loan or Letter of Credit in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent, (iv) fourth, if so determined by the Administrative Agent and the Borrower, held in such account as cash collateral for future funding obligations of the Defaulting Lender under this Agreement, (v) fifth, pro rata, to the payment of any amounts owing to the Borrower or the Lenders as a result of any judgment of a court of competent jurisdiction obtained by the Borrower or any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement and (vi) sixth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if such payment is (x) a prepayment of the principal amount of any Loans or L/C Obligations which a Defaulting Lender has funded its participation obligations and (y) made at a time when the conditions set forth in Section 6.2 are satisfied, such payment shall be applied solely to prepay the Loans of, and reimbursement obligations owed to, all non-Defaulting Lenders pro rata

prior to being applied to the prepayment of any Loans, or L/C Obligations owed to, any Defaulting Lender.

In the event that the Administrative Agent, the Issuing Lender, the Swingline Lender and the Borrower, each agrees that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the exposure of the Lenders with respect to L/C Obligations and Swingline Participation Amounts shall be readjusted to reflect the inclusion of such Lender's Commitment and on such date such Lender shall purchase at par such of the Loans of the other Lenders as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Loans in accordance with its Revolving Percentage. The rights and remedies against a Defaulting Lender under this Section 4.16 are in addition to other rights and remedies that the Borrower, the Administrative Agent, the Issuing Lender, the Swingline Lender and the non-Defaulting Lenders may have against such Defaulting Lender. The arrangements permitted or required by this Section 4.16 shall be permitted under this Agreement, notwithstanding any limitation on Liens or the pro rata sharing provisions or otherwise.

SECTION 5. REPRESENTATIONS AND WARRANTIES

To induce the Agents and the Lenders to enter into this Agreement and to make the Loans and issue or participate in the Letters of Credit, Holdings and the Borrower hereby jointly and severally represent and warrant to each Agent and each Lender that:

5.1. Financial Condition. The audited consolidated balance sheets of the Borrower and its consolidated Subsidiaries as at the end of the fiscal years ending 2006, 2007 and 2008, and the related consolidated statements of income and cash flows for the fiscal year ended on such date, reported on by and accompanied by an unqualified report from the independent certified public accounting firm reporting thereon, present fairly the consolidated financial condition of each of the Borrower and its consolidated Subsidiaries as at such date, and the consolidated results of its operations and its consolidated cash flows for the fiscal year then ended. The unaudited interim consolidated balance sheet of the Borrower and its Subsidiaries as at March 27, 2009, June 26, 2009 and September 25, 2009 and the related unaudited consolidated statements of income and cash flows for each three-month period ended on such date, present fairly the consolidated financial condition of each of the Borrower and its Subsidiaries as at such date, and the consolidated results of its operations and its consolidated cash flows for each three-month period then ended (subject to normal year end audit adjustments and the absence of footnotes). All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with GAAP applied consistently throughout the periods involved (except as approved by the aforementioned firm of accountants and disclosed therein). On the Closing Date, no Group Member has any material Guarantee Obligations, contingent liabilities and liabilities for taxes, or any long term leases or unusual forward or long term commitments, including any interest rate or foreign currency swap or exchange transaction or other obligation in respect of derivatives, that are not reflected in the most recent financial statements referred to in this paragraph. During the period from December 31, 2008 to and including the date hereof there has been no Disposition by any Group Member of any material part of its business or property.

5.2. No Change. Since the Closing Date, there has been no development or event that has had or would reasonably be expected to have a Material Adverse Effect.

5.3. Corporate Existence; Compliance with Law. Each Group Member (a) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (b) has the 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 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 where the failure to be so qualified would not reasonably be expected to have a Material Adverse Effect and (d) is in compliance with the terms of its Organizational Documents and all Requirements of Law except to the extent that the failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

5.4. Power; Authorization; Enforceable Obligations. Each Loan Party has the 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 obtain extensions of credit hereunder. Each Loan Party has taken all necessary organizational action to authorize the execution, delivery and performance of the Loan Documents to which it is a party and, in the case of the Borrower, to authorize the extensions of credit on the terms and conditions of this Agreement. No consent or authorization of, filing with, notice to or other act by or in respect of, any Governmental Authority or any other Person is required in connection with the Restructuring or with the execution, delivery, performance, validity or enforceability of this Agreement or any of the Loan Documents, except (i) consents, authorizations, filings and notices described in Part A of Schedule 5.4, which consents, authorizations, filings and notices have been obtained or made and are in full force and effect and all applicable waiting periods have expired without any action being taken or threatened by any Governmental Authority which would restrain, prevent or otherwise impose adverse conditions on the Restructuring, (ii) consents, authorizations, filings and notices described in Part B of Schedule 5.4 which the failure to so receive, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect and (iii) the filings referred to in Section 5.19. Each Loan Document has been duly executed and delivered on behalf of each Loan Party party thereto. This Agreement constitutes, and each other Loan Document upon execution will constitute, a legal, valid and binding obligation of each Loan Party party thereto, enforceable against each such Loan Party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

5.5. No Legal Bar. The execution, delivery and performance of this Agreement and the other Loan Documents, the issuance of Letters of Credit, the borrowings hereunder and the use of the proceeds thereof will not violate its Organizational Document, any Requirement of Law or any Contractual Obligation of any Group Member and will not result in, or require, the creation or imposition of any Lien on any of their respective properties or revenues pursuant to its Organizational Documents, any Requirement of Law or any such Contractual Obligation (other than the Liens created by the Security Documents or permitted by Section 8.3 hereof).

5.6. Litigation. Except as set forth on Schedule 5.6, no litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of Holdings or the Borrower, threatened by or against any Group Member or against any of their respective properties or revenues (a) with respect to the Restructuring, any of the Loan Documents or any of the transactions contemplated hereby or thereby, or (b) that would reasonably be expected to have a Material Adverse Effect.

5.7. No Default. No Group Member is in default under or with respect to any of its Contractual Obligations in any respect that would reasonably be expected to have a Material Adverse Effect. No Default or Event of Default has occurred and is continuing.

5.8. Ownership of Property; Liens. Each Group Member 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, and no such property is subject to any Lien except as permitted by Section 8.3. The assets of each Group Member are in good working condition, normal wear and tear excepted.

5.9. Intellectual Property. Except as set forth on Schedule 5.9, each Group Member owns, or is licensed to use, all Intellectual Property necessary for the conduct of its business as currently conducted; no material claim has been asserted and is pending by any Person challenging or questioning the use of any Intellectual Property or the validity or effectiveness of any Intellectual Property, nor does Holdings or the Borrower know of any valid basis for any such claim; and to the best of Holdings' and the Borrower's knowledge the use of Intellectual Property by each Group Member does not infringe on the rights of any Person in any material respect.

5.10. Taxes. Each Group Member has filed or caused to be filed all Federal, state and other material tax returns that are required to be filed and has paid all taxes shown to be due and payable on said returns or on any assessments made against it or any of its property and 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 reserves in conformity with GAAP have been provided on the books of the relevant Group Member); all tax returns filed by each Group Member are accurate in all material respects; no tax Lien has been filed, and, except as set forth on Schedule 5.10, to the knowledge of Holdings and the Borrower, no claim is being asserted, with respect to any such tax, fee or other charge. The Restructuring will not result in tax liabilities that could reasonably be expected to have a Material Adverse Effect, it being agreed, however, that for purposes of this sentence, no Material Adverse Effect shall be deemed to result from any reduction or elimination of net operating losses, tax credits or tax basis in assets that are not current assets.

5.11. 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. If requested by any Lender or the Administrative Agent, the Borrower will furnish to the Administrative Agent and each Lender a statement to the foregoing effect in conformity

with the requirements of FR Form G-3 or FR Form U 1, as applicable, referred to in Regulation U.

5.12. Labor Matters. Except as, in the aggregate, would not reasonably be expected to have a Material Adverse Effect: (i) there are no strikes or other labor disputes against any Group Member pending or, to the knowledge of Holdings or the Borrower, threatened; (ii) hours worked by and payment made to employees of each Group Member have not been in violation of the Fair Labor Standards Act or any other applicable Requirement of Law dealing with such matters; and (iii) all payments due from any Group Member on account of employee health and welfare insurance have been paid or accrued as a liability on the books of the relevant Group Member.

5.13. ERISA. Neither a Reportable Event nor an "accumulated funding deficiency" (within the meaning of Section 412 of the Code or Section 302 of ERISA) has occurred during the five year period prior to the date on which this representation is made or deemed made with respect to any Plan, and, except as set forth on Schedule 5.13, each Plan has complied in all material respects with the applicable provisions of ERISA and the Code. No termination of a Single Employer Plan has occurred, and no Lien in favor of the PBGC or a Plan has arisen, during such five-year period. Except as set forth on Schedule 5.13, 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 by a material amount. Neither the Borrower nor any Commonly Controlled Entity has had a complete or partial withdrawal from any Multiemployer Plan that has resulted or would reasonably be expected to result in a material liability under ERISA, and neither the Borrower nor any Commonly Controlled Entity would become subject to any material liability under ERISA if the Borrower or any such Commonly Controlled Entity were to withdraw completely from all Multiemployer Plans as of the valuation date most closely preceding the date on which this representation is made or deemed made. No such Multiemployer Plan is in Reorganization or Insolvent.

5.14. Investment Company Act; Other Regulations. No Loan Party is an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended. No Loan Party is subject to regulation under any Requirement of Law (other than Regulation X of the Board) that limits its ability to incur Indebtedness.

5.15. Subsidiaries. Except as disclosed to the Administrative Agent by the Borrower in writing from time to time after the Closing Date, (a) Schedule 5.15 sets forth the name and jurisdiction of incorporation of each Subsidiary and, as to each such Subsidiary, the percentage of each class of Capital Stock owned by any Loan Party and (b) there are no outstanding subscriptions, options, warrants, calls, rights or other agreements or commitments (other than stock options granted to employees or directors and directors' qualifying shares) of any nature relating to any Capital Stock of the Borrower or any Subsidiary, except as set forth on Schedule 5.15 or as created by the Loan Documents. All of the equity interests of Holdings were owned, as of the Closing Date, by the Persons and in the amounts set forth on Schedule 5.15.

5.16. Use of Proceeds. The proceeds of the Term Loans under the Original Credit Agreement were applied in accordance with the Original Credit Agreement. The proceeds of the Revolving Loans, the Swingline Loans, and the Letters of Credit, shall be used for working capital and other general corporate purposes of the Borrower and its Subsidiaries in the ordinary course of business.

5.17. Environmental Matters. Except as set forth on Schedule 5.17 and except as, in the aggregate, would not reasonably be expected to have a Material Adverse Effect:

(a) the facilities and properties owned, leased or operated by any Group Member (the "Properties") do not contain, and have not previously contained, any Materials of Environmental Concern related to the operation of any Group Member, and to the best knowledge of Holdings and the Borrower, the Properties do not contain and have not contained any Materials of Environmental Concern related to the operations of former owners or tenants, in amounts or concentrations or under circumstances that constitute or constituted a violation of, or could give rise to liability under, any Environmental Law;

(b) no Group Member has received any notice of violation, alleged violation, non-compliance, liability or potential liability regarding environmental matters or compliance with Environmental Laws with regard to any of the Properties or the business operated by any Group Member (the "Business"), nor does Holdings or the Borrower have knowledge or reason to believe that any such notice will be received or is being threatened;

(c) Materials of Environmental Concern have not been transported or disposed of from the Properties in violation of, or in a manner or to a location in each case by or on behalf of any Group Member that has given, or, to Holdings' or the Borrower's best knowledge, could give, rise to liability under, any Environmental Law, nor have any Materials of Environmental Concern been generated, treated, stored or disposed of at, on or under any of the Properties in violation of, or in a manner that has given, or, to Holdings' or the Borrower's best knowledge, could give rise, to liability to them under, any applicable Environmental Law;

(d) no judicial proceeding or governmental or administrative action is pending or, to the knowledge of Holdings or the Borrower, threatened, under any Environmental Law to which any Group Member is or will be named as a party with respect to the Properties or the Business, nor are there any consent decrees or other decrees, consent orders, administrative orders or other orders, or other administrative or judicial requirements outstanding under any Environmental Law with respect to the Properties or the Business;

(e) there has been no release or threat of release of Materials of Environmental Concern at or from the Properties, or arising from or related to the operations of any Group Member in connection with the Properties or otherwise in connection with the Business, in violation of or in amounts or in a manner that has given, or, to Holdings' or the Borrower's best knowledge, could give rise, to liability under Environmental Laws;

(f) the Properties and all operations at the Properties are in material compliance, and have in the last five years been in material compliance, with all applicable Environmental Laws; and

(g) no Group Member has assumed any liability of any other Person under Environmental Laws.

5.18. Accuracy of Information, etc. No statement or information contained in this Agreement, any other Loan Document or any other document, certificate or statement furnished by or on behalf of any Loan Party to the Administrative Agent or the Lenders, or any of them, for use in connection with the transactions contemplated by this Agreement or the other Loan Documents, contained as of the date such statement, information, document or certificate was so furnished, any untrue statement of a material fact or omitted to state a material fact necessary to make the statements contained herein or therein not misleading. The projections and pro forma financial information 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 financial information as it relates to future events is not to be viewed as fact and that actual results during the period or periods covered by such financial information may differ from the projected results set forth therein by a material amount. There is no fact known to any Loan Party that could reasonably be expected to have a Material Adverse Effect that has not been expressly disclosed herein, in the other Loan Documents or in any other documents, certificates and statements furnished to the Administrative Agent and the Lenders for use in connection with the transactions contemplated hereby and by the other Loan Documents.

5.19. Security Documents. (a) The Guarantee and Collateral Agreement is effective to create in favor of the Collateral Agent, for the benefit of the Secured Parties, a legal, valid and enforceable security interest in the Collateral described therein and proceeds thereof. In the case of the Pledged Stock described in the Guarantee and Collateral Agreement, when stock certificates representing such Pledged Stock are delivered to the Collateral Agent, and in the case of the other Collateral described in the Guarantee and Collateral Agreement, when financing statements and other filings specified on Schedule 5.19(a) in appropriate form are filed in the offices specified on Schedule 5.19(a) and the other actions specified in Section 4.3 of the Guarantee and Collateral Agreement are taken, the Guarantee and Collateral Agreement shall constitute a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in such Collateral and the proceeds thereof, as security for the Obligations, in each case prior and superior in right to any other Person (except, in the case of Collateral other than Pledged Stock, Liens permitted by Section 8.3).

(b) Each of the Mortgages is effective to create in favor of the Collateral Agent, for the benefit of the Secured Parties, a legal, valid and enforceable Lien on the interest of any Group Member in the Mortgaged Properties described therein and proceeds thereof, and when the Mortgages are filed in the offices specified on Schedule 5.19(b), each such Mortgage shall constitute a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in the Mortgaged Properties and the proceeds thereof, as security for the Obligations, in each case prior and superior in right to any other Person. Schedule 1.1(b) lists, as of the Closing Date, each parcel of owned real property and each leasehold interest in real property located in the United States and held by the Borrower or any of its Subsidiaries.

5.20. Solvency. On the Closing Date, each Loan Party is, after giving effect to the Restructuring , Solvent.

5.21. Regulation H. No Mortgage encumbers improved real property that is located in an area that has been identified by the Secretary of Housing and Urban Development as an area having special flood hazards and in which flood insurance has been made available under the National Flood Insurance Act of 1968.

5.22. Anti-Terrorism Laws. (a) No Loan Party or, to the knowledge of any Loan Party, any of its Affiliates is in violation of any Anti-Terrorism Law or engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

(b) None of the Loan Parties, nor, to the knowledge of the Loan Parties, any Affiliate of any Loan Party or their respective agents acting or benefiting in any capacity in connection with the Loans, Letters of Credit or other transactions hereunder, is any of the following (each a "Blocked Person"):

(i) a person that is listed in the annex to, or is otherwise subject to the provisions of, Executive Order No. 13224;

(ii) a person owned or controlled by, or acting for or on behalf of, any person that is listed in the annex to, or is otherwise subject to the provisions of, Executive Order No. 13224;

(iii) a person with which any Lender is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;

(iv) a person that commits, threatens or conspires to commit or supports "terrorism" as defined in Executive Order No. 13224;

(v) a person that is named as a "specially designated national" on the most current list published by the United States Treasury Department's Office of Foreign Asset Control at its official website or any replacement website or other replacement official publication of such list; or

(vi) a person who is affiliated or associated with a person listed above.

(c) No Loan Party, or to the knowledge of any Loan Party, any of its agents acting in any capacity in connection with the Loans, Letters of Credit or other transactions hereunder (i) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Blocked Person or (ii) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to Executive Order No. 13224.

SECTION 6. CONDITIONS PRECEDENT

6.1. Conditions to Initial Extension of Credit. The effectiveness of this Agreement and the occurrence of the Closing Date are subject to the satisfaction, prior to or concurrently with such date, of the following conditions precedent:

(a) Loan Documents. The Administrative Agent shall have received (i) this Agreement executed and delivered by each Agent, Holdings and the Borrower, (ii) the Guarantee and Collateral Agreement, executed and delivered by Holdings, the Borrower and each Subsidiary Guarantor, (iii) an Acknowledgment and Consent in the form attached to the Guarantee and Collateral Agreement, executed and delivered by each Issuer (as defined therein), if any, that is not a Loan Party, (iv) (iv) the Control Agreements, executed and delivered by the Borrower and each Subsidiary Guarantor, (v) the Intercompany Note, executed and delivered by each Loan Party, (vi) a Borrowing Base Certificate dated as of no earlier than the 25th Business Day immediately preceding the Closing Date and (vii) any Notes requested by Lenders.

(b) Transactions. The following transactions shall have been or shall concurrently be consummated, in each case on terms and conditions reasonably satisfactory to each Agent and each Lender:

(i) The Plan of Reorganization shall have been confirmed and the conditions to effectiveness of the Plan or Reorganization shall have been satisfied;

(ii) Newco shall have received not less than $20,000,000 from the proceeds of Series A Preferred Stock issued by Newco to the Sponsor and/or its Control Investment Affiliates on terms and conditions described on Schedule 6.1(b) and otherwise satisfactory to the Administrative Agent (the "Closing Date Equity Contribution"), the full amount of which shall have been contributed by Newco to Holdings, and subsequently contributed by Holdings to the Borrower and used by the Borrower for working capital and other general corporate purposes (other than Permitted Loan Purchases); provided that, any portion of the Closing Date Equity Contribution not used to pay fees and expenses on the Closing Date shall be applied to repay then outstanding Revolving Loans, if any, without any reduction in the Revolving Commitments; and

(iii) the capital and ownership structure of Holdings and its Subsidiaries, after giving effect to the Transaction, shall be as described on Schedule 6.1(b) and otherwise reasonably satisfactory to the Administrative Agent.

(c) Financial Statements. The Lenders shall have received the Financial Statements and other financial statements described in Section 5.1.

(d) Approvals. All governmental and third party approvals necessary or, in the reasonable discretion of the Administrative Agent, advisable, in connection with the Transaction and the continuing operations of the Group Members shall have been obtained and 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 Transaction.

(e) Fees. The Lenders and the Agents shall have received all fees required to be paid, and all reasonable expenses for which invoices have been presented (including

the reasonable fees and expenses of legal counsel), on or before the Closing Date. All such amounts will be paid with proceeds of the Closing Date Equity Contribution and will be reflected in the funding instructions given by the Borrower to the Administrative Agent on or before the Closing Date.

(f) 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 I, with appropriate insertions and attachments including the certificate of incorporation (or similar document) of each Loan Party certified by the relevant authority of the jurisdiction of organization of such Loan Party, and (ii) a long form good standing certificate for each Loan Party from its jurisdiction of organization as of a recent date.

(g) Legal Opinion. The Administrative Agent shall have received a legal opinion of White & Case LLP, counsel to Holdings, the Borrower and its Subsidiaries, in form and substance reasonably satisfactory to Administrative Agent.

(h) Lien Searches. The Administrative Agent shall have received the results of a recent lien search in each of the jurisdictions where assets of the Loan Parties are located, and such search shall reveal no liens on any of the assets of the Loan Parties except for liens permitted by Section 8.3 or discharged on or prior to the Closing Date pursuant to documentation satisfactory to the Administrative Agent.

(i) Pledged Stock; Stock Powers; Pledged Notes. The Collateral Agent shall have received (i) the certificates representing the shares of Capital Stock pledged pursuant to the Guarantee and Collateral Agreement, 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 to the Collateral Agent pursuant to the Guarantee and Collateral Agreement endorsed (without recourse) in blank (or accompanied by an executed transfer form in blank) by the pledgor thereof.

(j) Filings, Registrations and Recordings. Each document (including any Uniform Commercial Code financing statement) required by the Security Documents or under law or reasonably requested by the Administrative Agent to be filed, registered or recorded in order to create in favor of the Collateral Agent, for the benefit of the Secured Parties, a perfected Lien on the Collateral described therein, prior and superior in right to any other Person (other than with respect to Liens expressly permitted by Section 8.3), shall be in proper form for filing, registration or recordation.

(k) Mortgages, etc. In order to create in favor of the Collateral Agent, for the benefit of the Secured Parties a valid and perfected first priority security interest in any Group Member's interest in each Mortgaged Property, the Administrative Agent shall have received:

(i) a Mortgage in proper form for recording in all appropriate places in all appropriate jurisdictions with respect to each Mortgaged Property, executed, delivered and notarized by a duly authorized officer of each party thereto;

(ii) the title insurance company issuing the policy referred to in clause (iii) below (the "Title Insurance Company") shall have received the existing as-built survey of the Riverside, New Jersey headquarters property of Sea Gull, dated as of October, 10, 2005, together with either (x) an affidavit of an authorized officer of Sea Gull stating that there have been no material improvements or other changes to the property since the date of the survey, in form and substance reasonably satisfactory to Title Insurance Company and sufficient to delete the survey exception in the mortgagee's title insurance policy and to provide survey based affirmative coverage as reasonably requested by Administrative Agent or (y) an update of the existing survey, sufficient to delete the survey exception in the mortgagee's title insurance policy and to provide survey based affirmative coverage as reasonably requested by Administrative Agent;

(iii) with respect to the Riverside, New Jersey headquarters property of Sea Gull, a mortgagee's title insurance policy (or policies) together with a title report issued by the title company, dated not more than 30 days prior to the Closing Date. Each such policy shall (A) be in an amount satisfactory to the Administrative Agent, which amount shall not be less than the fair market value of any Group Member's interest in each Mortgaged Property; (B) insure that the Mortgage insured thereby creates a valid first Lien on any Group Member's interest in such Mortgaged Property free and clear of all defects and encumbrances, except as disclosed therein; (C) name the Collateral Agent for the benefit of the Secured Parties as the insured thereunder; (D) be in the form of ALTA Loan Policy - 2006 (or equivalent policies); (E) contain such endorsements and affirmative coverage as the Administrative Agent may reasonably request and (F) be issued by title companies satisfactory to the Administrative Agent (including any such title companies acting as co-insurers or reinsurers, at the option of the Administrative Agent). The Administrative Agent shall have received evidence satisfactory to it that all premiums in respect of each such policy, all charges for mortgage recording tax, and all related expenses, if any, have been paid;

(iv) with respect to the Riverside New Jersey headquarters property of Sea Gull, a Federal Emergency Management Agency Standard Flood Hazard Determination confirming that the property is not in a special flood / hazard are;

(v) with respect to the Riverside, New Jersey headquarters property of Sea Gull, a copy of all recorded documents referred to, or listed as exceptions to title in, the title policy or policies referred to in clause (iii) above;

(vi) an opinion of counsel (which counsel shall be reasonably satisfactory to the Administrative Agent) in each state in which a Mortgaged Property is located with respect to the enforceability of the form(s) of Mortgages to be recorded in such state and such other matters as the Administrative Agent may reasonably request, in each case in form and substance reasonably satisfactory to the Administrative Agent;

(vii) in the case of each Leasehold, if any, that is a Mortgaged Property, (A) a Landlord Consent and Estoppel and (B) evidence that such Leasehold Property is a Recorded Leasehold Interest (it being understood and agreed that a Group Member's obligation under this subparagraph (vii) is limited to using commercially reasonable efforts to provide the documents required hereunder); and

(viii) evidence satisfactory to the Administrative Agent that such Loan Party has paid to the title company or to the appropriate Governmental Authorities all expenses and premiums of the title company and all other sums required in connection with the issuance of each title policy required hereby and all recording and stamp taxes (including mortgage recording and intangible taxes) payable in connection with recording the Mortgages for each Mortgaged Property in the appropriate real estate records.

(l) Insurance. The Administrative Agent shall have received insurance certificates satisfying the requirements of Section 5.3(b) of the Guarantee and Collateral Agreement.

(m) Patriot Act, etc. The Administrative Agent shall have received all documentation and other information required by bank regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act, as reasonably requested by the Administrative Agent.

(n) Appraisal. The Administrative Agent shall have received, at the Borrower's expense, appraisals in form and substance and from appraisers satisfactory to Administrative Agent of all of the Inventory of the Loan Parties and their Subsidiaries.

(o) Release. The Administrative Agent shall have received a release, in the form attached hereto as Exhibit Q, executed by the Sponsor, on behalf of itself and its affiliates, and the board of directors of Holdings, on behalf of each such director individually and on behalf of Holdings, the Borrower and each of affiliate of Holdings and the Borrower, for the benefit of each of the Agents and Lenders that execute this Agreement or an Addendum on the Closing Date and their respective affiliates, directors, officers, employees, attorneys, consultants, advisors, agents, trusts, trustors, beneficiaries, heirs, executors and administrators.

(p) Agency Fees. The Administrative Agent shall have received an agreement, in form and substance reasonably satisfactory to the Administrative Agent, reaffirming the Borrower's obligations under that certain letter agreement, dated June 20, 2008, from BNP Paribas to the Borrower.

6.2. Conditions to Each Extension of Credit. The agreement of each Lender to make any extension of credit requested to be made by it on any date (including its initial extension of credit) 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 or pursuant to the Loan Documents shall be true

and correct in all material respects on and as of such date as if made on and as of such date except to the extent that such representations and warranties to an earlier date, in which case they shall be true and correct 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 requested to be made on such date.

(c) Cash Balance. The aggregate balance of cash and Cash Equivalents held by the Loan Parties (calculated based on bank balances, without deduction of any outstanding drafts or other outstanding items) shall be no greater than $10,000,000 on such date and after giving effect to the extensions of credit (other than any Letter of Credit requested on such date in accordance with Section 3.8) requested to be made on such date.

(d) Borrowing Base Certificate. Administrative Agent shall have received before such date, the timely delivery of the most recent Borrowing Base Certificate (dated as contemplated in Section 7.2(f)) required to be delivered hereunder.

Each borrowing by and issuance of a Letter of Credit on behalf of the Borrower 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 6.2 have been satisfied.

SECTION 7. AFFIRMATIVE COVENANTS

Holdings and the Borrower hereby jointly and severally agree 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 Agent hereunder, each of Holdings and the Borrower shall and shall cause each of its Subsidiaries to:

7.1. Financial Statements. Furnish to the Administrative Agent and each Lender:

(a) as soon as available, but in any event within 90 days after the end of each fiscal year of the Borrower, a copy of the audited consolidated balance sheet of the Borrower 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 for the previous year, reported on without a "going concern" or like qualification or exception, or qualification arising out of the scope of the audit, by PriceWaterhouseCoopers 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 fiscal quarter of the Borrower, the unaudited consolidated balance sheet of the Borrower 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 for the previous year, certified by a Responsible Officer as being fairly stated in all material respects (subject to normal year end audit adjustments); and

(c) as soon as available, but in any event not later than 30 days after the end of each month occurring during each fiscal year of the Borrower (other than the third, sixth, ninth and twelfth such month), the unaudited consolidated balance sheets of the Borrower and its Subsidiaries as at the end of such month and the related unaudited consolidated statements of income and of 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 for the previous year, certified by a Responsible Officer as being fairly stated in all material respects (subject to normal year-end audit adjustments).

All such financial statements shall be complete and correct in all material respects and shall 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).

7.2. Certificates; Other Information. Furnish to the Administrative Agent and each Lender (or, in the case of clause (i), to the relevant Lender):

(a) concurrently with the delivery of the financial statements referred to in Section 7.1(a), a certificate of the independent certified public accountants reporting on such financial statements stating that in making the examination necessary therefor no knowledge was obtained of any Default or Event of Default, except as specified in such certificate, it being understood that such certificate shall be limited to the items that independent certified accountants are permitted to cover in such certificates pursuant to their professional standards and customs of the profession;

(b) concurrently with the delivery of any financial statements pursuant to Section 7.1, (i) a certificate of a Responsible Officer stating that, to the best of such Responsible Officer's knowledge, each Loan Party during such period has observed or performed all of its covenants and other agreements, and satisfied every condition, contained in this Agreement and the other Loan Documents to which it is a party to be observed, performed or satisfied by it, and that such Responsible Officer has obtained no knowledge of any Default or Event of Default except as specified in such certificate and (ii) in the case of quarterly or annual financial statements, (x) a Compliance Certificate containing all information and calculations necessary for determining compliance with the provisions of this Agreement referred to therein as of the last day of the fiscal quarter or fiscal year of the Borrower, as the case may be, and, if applicable, for determining the Applicable Margins, and (y) to the extent not previously disclosed to the Administrative Agent, a listing of any Intellectual Property acquired by any Loan Party since the date of the most recent list delivered pursuant to this clause (y) (or, in the case of the first such list so delivered, since the Closing Date);

(c) as soon as available, and in any event no later than 45 days after the beginning of each fiscal year of the Borrower, a detailed consolidated budget for such fiscal year shown on a month-by-month basis (including a projected consolidated balance sheet of the Borrower and its Subsidiaries as of the end of the following fiscal year, the related consolidated statements of projected cash flow, projected changes in financial position and projected income and a description of the underlying assumptions applicable thereto), and, as soon as available, significant revisions, if any, of such budget and projections with respect to such fiscal year (collectively, the "Projections"), which Projections shall in each case be accompanied by a certificate of a Responsible Officer stating that such Projections are based on reasonable estimates, information and assumptions and that such Responsible Officer has no reason to believe that such Projections are incorrect or misleading in any material respect;

(d) concurrently with the delivery of any financial statements pursuant to Section 7.1(a) or (b), a narrative discussion and analysis of the financial condition and results of operations of the Borrower and its Subsidiaries for the fiscal period covered by such financial statements and, in the case of financial statements pursuant to Section 7.1(b), for the period from the beginning of the fiscal year in which such fiscal period occurs to the end of such fiscal period, in each case as compared to the portion of the Projections covering such periods and to the comparable periods of the previous year;

(e) within five days after the same are sent, copies of all financial statements and reports that Holdings or the Borrower sends to the holders of any class of its debt securities or public equity securities and, within five days after the same are filed, copies of all financial statements and reports that Holdings or the Borrower may make to, or file with, the SEC;

(f) within 20 days after the end of each month, a Borrowing Base Certificate dated as of the last Business Day of the such month and any supporting documentation reasonably requested by the Administrative Agent; and in addition to such monthly Borrowing Base Certificates, the Borrower may from time to time deliver to Administrative Agent and Lenders on any Business Day a Borrowing Base Certificate dated as of a date no earlier than the 25th Business Day immediately preceding the date of delivery thereof and the most recent Borrowing Base Certificate described in this clause (f) that is delivered to Administrative Agent shall be used in calculating the Borrowing Base as of any date of determination;

(g) no more than once in every twelve (12) month period (or as frequently as Administrative Agent may request while a Default or an Event of Default shall have occurred and be continuing) Administrative Agent may, or may require the Borrower to, in either case at the Borrower's expense, obtain appraisals in form and substance reasonably satisfactory to the Administrative Agent and from appraisers and/or field auditors specified by the Administrative Agent and reasonably acceptable to the Borrower of all or any portion of the Inventory of any Loan Party or any Subsidiary of any Loan Party;

(h) so long as any Revolving Loans are then outstanding, on the first Business Day of (x) during any Reduced Leverage Period, each month and (y) during all other periods, each week, a Liquidity report in the form attached hereto as Exhibit J (a "Liquidity Certificate");

(i) on the first Business Day after each Cash Measurement Date, a Bi-Weekly Cash Report;

(j) (x) on the fourth Business Day of the first calendar week after the Closing Date, and each second calendar week thereafter through the end of the fiscal quarter ending on April 2, 2010 and (y) on the first Business Day of each calendar week during which the Borrower is required to engage a CRO pursuant to the terms of Section 7.12, a 13-week rolling cash flow projection providing a detailed line-item report of operating cash receipts, operating disbursements and non-operating disbursements (in form and substance reasonably satisfactory to the Administrative Agent); and

(k) promptly, such additional financial and other information as any Lender may from time to time reasonably request, including, without limitation, information with respect to the Patriot Act.

7.3. Payment of Obligations. Pay, discharge or otherwise satisfy as the same become due or before they become delinquent, as the case may be, all its material obligations of whatever nature, except where the amount or validity thereof is currently being contested in good faith by appropriate proceedings and reserves in conformity with GAAP with respect thereto have been provided on the books of the relevant Group Member.

7.4. Maintenance of Existence; Compliance. (a) (i) Preserve, renew and keep in full force and effect its organizational existence and (ii) 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 8.4 and except, in the case of clause (ii) above, to the extent that failure to do so would not reasonably be expected to have a Material Adverse Effect.

(b) Comply with all Contractual Obligations, its Organizational Documents and 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.

7.5. Maintenance of Property; Insurance. (a) Keep all property useful and necessary in its business in good working order and condition, ordinary wear and tear, condemnation and casualty excepted and (b) maintain with financially sound and reputable insurance companies insurance on all its 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.

7.6. 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 financial transactions and matters involving the

assets and business of the Group Members and (b) permit representatives of the Administrative Agent or any Lender to visit and inspect any of its properties and examine and make abstracts from any of its books and records at any reasonable time and as often as may reasonably be desired and to discuss the business, operations, properties and financial and other condition of the Group Members with officers and employees of the Group Members and with their independent certified public accountants; provided that, so long as no Event of Default has occurred and is continuing, (i) the rights of the Lenders (but not the Administrative Agent) under this clause (b) shall be limited to once a year in the aggregate and (ii) the rights of the Administrative Agent under this clause (b) shall be limited to three times a year.

7.7. Notices. Promptly give notice to the Administrative Agent and each Lender of:

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

(b) any (i) default or event of default under any Contractual Obligation of any Group Member or (ii) litigation, investigation or proceeding that may exist at any time between any Group Member and any Governmental Authority, that in the case of clause (i) or clause (ii), if not cured or if adversely determined, as the case may be, would reasonably be expected to have a Material Adverse Effect;

(c) any litigation or proceeding affecting any Group Member (i) in which the amount involved is $1,000,000 or more, (ii) in which injunctive or similar relief is sought or (iii) which relates to any Loan Document;

(d) the following events, as soon as possible and in any event within 30 days after the Borrower knows or has reason to know thereof: (i) the occurrence of any Reportable Event with respect to any Plan, a failure to make any required contribution to a Plan, 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 (ii) the institution of proceedings or the taking of any other action by the PBGC or the Borrower or any Commonly Controlled Entity or any Multiemployer Plan with respect to the withdrawal from, or the termination, Reorganization or Insolvency of, any Plan; and

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

Each notice pursuant to this Section 7.7 shall be accompanied by a statement of a Responsible Officer of the Borrower setting forth details of the occurrence referred to therein and stating what action Holdings, the Borrower or the relevant Subsidiary proposes to take with respect thereto.

7.8. Environmental Laws. (a) Comply in all material respects with, and ensure compliance in all material respects by all tenants and subtenants, if any, with, all applicable Environmental Laws, and obtain and comply in all material respects with and maintain, and ensure that all tenants and subtenants obtain and comply in all material respects with and maintain, any and all licenses, approvals, notifications, registrations or permits required by applicable Environmental Laws.

(b) Conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other actions required under Environmental Laws and promptly comply in all material respects with all lawful orders and directives of all Governmental Authorities regarding Environmental Laws.

7.9. Intentionally Omitted.

7.10. Additional Collateral, etc. (a) With respect to any property acquired after the Closing Date by any Group Member (other than (x) any property described in paragraph (b), (c) or (d) below, (y) any property subject to a Lien expressly permitted by Section 8.3(g) and (z) property acquired by any Excluded Foreign Subsidiary) as to which the Collateral Agent, for the benefit of the Secured Parties, does not have a perfected Lien, promptly (i) execute and deliver to the Collateral Agent such amendments to the Guarantee and Collateral Agreement or such other documents as the Collateral Agent deems necessary or advisable to grant to the Collateral Agent, for the benefit of the Secured Parties, a security interest in such property and (ii) take all actions necessary or advisable to grant to the Collateral Agent, for the benefit of the Secured Parties, a perfected first priority security interest in such property, including the filing of Uniform Commercial Code financing statements in such jurisdictions as may be required by the Guarantee and Collateral Agreement or by law or as may be requested by the Collateral Agent.

(b) With respect to any interest in any real property having a value (together with improvements thereof) of at least $1,000,000 acquired or leased after the Closing Date by any Group Member (other than (x) any such real property subject to a Lien expressly permitted by Section 8.3(g) and (y) real property acquired by any Excluded Foreign Subsidiary), promptly (i) execute and deliver a Mortgage, in favor of the Collateral Agent, for the benefit of the Secured Parties, covering such real property, (ii) if requested by the Collateral Agent, provide the Secured Parties with (x) title and extended coverage insurance covering such real property in an amount at least equal to the purchase price of such real property (or such other amount as shall be reasonably specified by the Collateral Agent) as well as a current ALTA survey thereof, together with a surveyor's certificate and (y) any consents or estoppels reasonably deemed necessary or advisable by the Collateral Agent in connection with such Mortgage, each of the foregoing in form and substance reasonably satisfactory to the Collateral Agent and (iii) if requested by the Collateral Agent, deliver to the Collateral Agent legal opinions relating to the matters described above, which opinions shall be in form and substance, and from counsel, reasonably satisfactory to the Collateral Agent. Any lease entered into by a Group Member at fair market rentals that requires no advance rent payment in excess of 30 days shall be excluded from the requirements of this Section 7.9(b); provided that the Borrower shall promptly notify the Administrative Agent when any Group Member enters into a new real property lease and such notice shall (i) state the monthly rent due under such lease, (ii) state the market rent for equivalent properties and (iii) state the amount of any advance payment required by such lease.

(c) With respect to any new Subsidiary (other than an Excluded Foreign Subsidiary) created or acquired after the Closing Date by any Group Member (which, for the purposes of this paragraph (c), shall include any existing Subsidiary that ceases to be an Excluded Foreign Subsidiary), promptly (i) execute and deliver to the Collateral Agent such amendments to the Guarantee and Collateral Agreement as the Collateral Agent deems necessary or advisable to grant to the Collateral Agent, for the benefit of the Secured Parties, a perfected

first priority security interest in the Capital Stock of such new Subsidiary that is owned by any Group Member, (ii) deliver to the Collateral Agent the certificates representing such Capital Stock, together with undated stock powers, in blank, executed and delivered by a duly authorized officer of the relevant Group Member, (iii) cause such new Subsidiary (A) to become a party to the Guarantee and Collateral Agreement, (B) to take such actions necessary or advisable to grant to the Collateral Agent for the benefit of the Secured Parties a perfected first priority security interest in the Collateral described in the Guarantee and Collateral Agreement with respect to such new Subsidiary, including the filing of Uniform Commercial Code financing statements in such jurisdictions as may be required by the Guarantee and Collateral Agreement or by law or as may be requested by the Collateral Agent and (C) to deliver to the Collateral Agent a certificate of such Subsidiary, substantially in the form of Exhibit C, with appropriate insertions and attachments, and (iv) if requested by the Collateral Agent, deliver to the Collateral Agent legal opinions relating to the matters described above, which opinions shall be in form and substance, and from counsel, reasonably satisfactory to the Collateral Agent.

(d) With respect to any new Excluded Foreign Subsidiary created or acquired after the Closing Date by any Group Member (other than by any Group Member that is an Excluded Foreign Subsidiary), promptly (i) execute and deliver to the Collateral Agent such amendments to the Guarantee and Collateral Agreement as the Collateral Agent deems necessary or advisable to grant to the Collateral Agent, for the benefit of the Secured Parties, a perfected first priority security interest in the Capital Stock of such new Subsidiary that is owned by any such Group Member (provided that in no event shall more than 65% of the total outstanding Capital Stock of any such new Subsidiary be required to be so pledged), (ii) deliver to the Collateral Agent the certificates representing such Capital Stock, together with undated stock powers, in blank, executed and delivered by a duly authorized officer of the relevant Group Member, as the case may be, and take such other action as may be necessary or, in the opinion of the Collateral Agent, desirable to perfect the Collateral Agent's security interest therein, and (iii) if requested by the Collateral Agent, deliver to the Collateral Agent legal opinions relating to the matters described above, which opinions shall be in form and substance, and from counsel, reasonably satisfactory to the Collateral Agent.

7.11. Further Assurances. From time to time execute and deliver, or cause to be executed and delivered, such additional instruments, certificates or documents, and take all such actions, as the Administrative Agent or the Collateral Agent may reasonably request for the purposes of implementing or effectuating the provisions of this Agreement and the other Loan Documents, or of more fully perfecting or renewing the rights of the Administrative Agent, the Collateral Agent and the Lenders with respect to the Collateral (or with respect to any additions thereto or replacements or proceeds thereof or with respect to any other property or assets hereafter acquired by the borrower or any Subsidiary which may be deemed to be part of the Collateral) pursuant hereto or thereto. Upon the exercise by the Administrative Agent, the Collateral Agent or any Lender of any power, right, privilege or remedy pursuant to this Agreement or the other Loan Documents which requires any consent, approval, recording qualification or authorization of any Governmental Authority, the Borrower will execute and deliver, or will cause the execution and delivery of, all applications, certifications, instruments and other documents and papers that the Administrative Agent, the Collateral Agent or such Lenders may be required to obtain from the Borrower or any of its Subsidiaries for such governmental consent, approval, recording, qualification or authorization.

7.12. Chief Restructuring Officer. If Liquidity is less than $10,000,000 as of the last Business Day of any two weeks occurring in any period of twelve consecutive weeks, Holdings shall, within 30 days after such event, retain a chief restructuring officer ("CRO") to report to the board of directors of Holdings and to support senior management in connection with the management of the Borrower's affairs and businesses on terms and conditions satisfactory to Required Lenders. The identity of the CRO, the scope of the CRO's duties, and the terms and conditions of the CRO's engagement shall be reasonably satisfactory in form and substance to Administrative Agent. The Borrower shall provide the CRO with access to their books and records and any and all information pertaining to the Borrower as the CRO may reasonably request from time to time. The Borrower shall continue to engage such CRO until the Borrower has maintained and reporting Liquidity above $10,000,000 as of the last Business Day of every week for four consecutive months (it being agreed, however, that either the Administrative Agent or Required Lenders may extend such period by up to five additional months (for a total of nine months), by written notice delivered to the Borrower prior to the end of such period). Notwithstanding anything to the contrary in this Section 7.12, during any Reduced Leverage Period, the Borrower shall not be required to engage the services of a CRO and the right to extend the required engagement period shall not apply, however, the engagement of any such CRO initiated prior to the commencement of any Reduced Liquidity Period shall be continued as provided above notwithstanding such Reduced Liquidity Period.

7.13. Maintenance of Ratings. Use commercially reasonable efforts to cause (i) the Facilities to be continuously rated by Standard & Poor's Ratings Services ("S&P") or Moody's Investors Service, Inc. ("Moody's"), or (ii) the Borrower to continually maintain a corporate rating from S&P or a corporate family rating from Moody's.

7.14. Post-Closing Matters

(a) Collateral Access Agreements. Within 120 days of the Closing Date, or such longer period as may be agreed to by the Administrative Agent in its sole discretion, the Borrower shall deliver or cause to the delivered to the Administrative Agent executed Collateral Access Agreements for each of the locations where collateral is located listed on Schedule 5 to each of the Guarantee and Collateral Agreements, each of which shall be in form and substance satisfactory to the Administrative Agent; provided that the Administrative Agent in its sole discretion may waive the requirements of this Section 7.14(a) with respect to any individual location. Failure to obtain any Collateral Access Agreement as required hereby will not constitute a Default or Event of Default, but may affect the eligibility of inventory for inclusion in Eligible Inventory.

SECTION 8. NEGATIVE COVENANTS

Holdings and the Borrower hereby jointly and severally agree 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 Agent hereunder, each of Holdings and the Borrower shall not, and shall not permit any of its Subsidiaries to, directly or indirectly:

8.1. Financial Condition Covenants.

(a) Consolidated Leverage Ratio. Permit the Consolidated Leverage Ratio as at the last day of any period of four consecutive fiscal quarters of the Borrower ending with any fiscal quarter set forth below to exceed the ratio set forth below opposite such fiscal quarter:

Fiscal Quarter	Consolidated Leverage Ratio
Third fiscal quarter of 2012	7.75 to 1.00
Fourth fiscal quarter of 2012	7.40 to 1.00
First fiscal quarter of 2013	6.95 to 1.00
Second fiscal quarter of 2013	6.60 to 1.00
Third fiscal quarter of 2013	6.25 to 1.00
Fourth fiscal quarter of 2013	6.00 to 1.00
First fiscal quarter of 2014	5.95 to 1.00
Second fiscal quarter of 2014	5.90 to 1.00

(b) Consolidated Fixed Charge Coverage Ratio. Permit the Consolidated Fixed Charge Coverage Ratio as at the last day of any period of four consecutive fiscal quarters of the Borrower ending with any fiscal quarter set forth below to be less than the ratio set forth below opposite such fiscal quarter:

Fiscal Quarter	Consolidated Fixed Charge Coverage Ratio
First fiscal quarter of 2010	1.00 to 1.00
Second fiscal quarter of 2010	1.00 to 1.00
Third fiscal quarter of 2010	1.00 to 1.00
Fourth fiscal quarter of 2010	1.00 to 1.00
First fiscal quarter of 2011	1.05 to 1.00
Second fiscal quarter of 2011	1.05 to 1.00
Third fiscal quarter of 2011	1.10 to 1.00
Fourth fiscal quarter of 2011	1.10 to 1.00
First fiscal quarter of 2012	1.15 to 1.00
Second fiscal quarter of 2012	1.15 to 1.00
Third fiscal quarter of 2012	1.95 to 1.00
Fourth fiscal quarter of 2012	2.00 to 1.00
First fiscal quarter of 2013	2.15 to 1.00
Second fiscal quarter of 2013	2.25 to 1.00
Third fiscal quarter of 2013	2.40 to 1.00
Fourth fiscal quarter of 2013	2.50 to 1.00
First fiscal quarter of 2014	2.50 to 1.00
Second fiscal quarter of 2014	2.55 to 1.00

(c) Consolidated Interest Coverage Ratio. Permit the Consolidated Interest Coverage Ratio for any period of four consecutive fiscal quarters of the Borrower ending with any fiscal quarter set forth below to be less than the ratio set forth below opposite such fiscal quarter:

Fiscal Quarter	Consolidated Interest Coverage Ratio
Third fiscal quarter of 2012	2.40 to 1.00
Fourth fiscal quarter of 2012	2.50 to 1.00
First fiscal quarter of 2013	2.65 to 1.00
Second fiscal quarter of 2013	2.80 to 1.00
Third fiscal quarter of 2013	2.95 to 1.00
Fourth fiscal quarter of 2013	3.10 to 1.00
First fiscal quarter of 2014	3.15 to 1.00
Second fiscal quarter of 2014	3.20 to 1.00

(d) Minimum Liquidity. At any time that Revolving Loans are outstanding, permit Liquidity as of the last Business Day of (x) during any Reduced Leverage Period, any calendar month and (y) during all other periods, any calendar week, in each case to be less than $5,000,000.

(e) Cure Rights. Notwithstanding anything to the contrary contain in this Agreement, in the event that the Borrower fails to comply with the requirements of the covenants contain in Section 8.1(b) for any period ending with or prior to the fourth fiscal quarter of 2011, until the 10th day subsequent to the delivery of the related Compliance Certificate, Newco shall have the right to make, or cause to be made, an Eligible Equity Contribution (the "Cure Right"), and upon the receipt by the Borrower of such Eligible Equity Contribution (the "Cure Amount") pursuant to the exercise by Newco of such Cure Right such covenant shall be recalculated giving effect to the following pro forma adjustments:

(i) Consolidated EBITDA shall be increased, in accordance with the definition thereof, solely for the purpose of measuring the relevant covenant set forth in this Section 8.1(b) and not for any other purpose under this Agreement, by an amount equal to the Cure Amount;

(ii) if, after giving effect to the foregoing recalculation, the Borrower shall then be in compliance with the requirements of all of the covenants contained in this Section 8.1, the Borrower shall be deemed to have satisfied the requirements of the covenants contained in this Section 8.1(b) as of the relevant date of determination with the same effect as though there had been no failure to comply therewith at such date, and the applicable breach or default of the covenants contain in this Section 8.1(b) which had occurred shall be deemed cured for all purposes of this Agreement and the other Loan Documents; and

(iii) the Cure Amount proceeds shall be applied to voluntarily prepay Obligations in accordance with Section 4.2(a);

; provided that (x) the Cure Amount shall not exceed the lesser of (A) $3,000,000 and (B) the minimum amount necessary to cause the Borrower to be in compliance with the relevant covenant and (y) the Cure Right may be exercised no more than two times.

8.2. Indebtedness. Create, issue, incur, assume, become liable in respect of 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 Subsidiary, (ii) of any Wholly Owned Subsidiary Guarantor to the Borrower or any other Subsidiary and (iii) of any Subsidiary of the Borrower that is not a Subsidiary Guarantor to any other Subsidiary of the Borrower that is not a Subsidiary Guarantor; provided that any such Indebtedness is evidenced by, and subject to the provisions (including the subordination provisions) of the Intercompany Note;

(c) Guarantee Obligations incurred in the ordinary course of business by the Borrower or any of its Subsidiaries of obligations of the Borrower and any Wholly Owned Subsidiary Guarantor;

(d) Indebtedness outstanding on the Closing Date and listed on Schedule 8.2(d) and any Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge such Indebtedness;

(e) Indebtedness (including, without limitation, Capital Lease Obligations other than Capital Lease Obligations under the 130 Capital Lease) secured by Liens permitted by Section 8.3(g) in an aggregate principal amount not to exceed $5,000,000 at any one time outstanding;

(f) Hedge Agreements permitted under Section 8.12; and

(g) additional Indebtedness of the Borrower or any of its Subsidiaries in an aggregate principal amount (for the Borrower and all Subsidiaries) not to exceed $5,000,000 at any one time outstanding.

8.3. 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, fees, assessments and governmental charges not yet due or delinquent or that remain payable without penalty yet due or that 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, in conformity with GAAP;

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

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

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

(e) easements, rights-of-way, restrictions and other similar encumbrances incurred in the ordinary course of business that, in the aggregate, are not substantial in amount and that do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of the Borrower or any of its Subsidiaries;

(f) Liens in existence on the Closing Date listed on Schedule 8.3(f), securing Indebtedness permitted by Section 8.2(d), provided that no such Lien is spread to cover any additional property after the Closing Date and that the amount of Indebtedness secured thereby is not increased;

(g) Liens securing Indebtedness of the Borrower or any other Subsidiary incurred pursuant to Section 8.2(e) to finance the acquisition of fixed or capital assets, provided that (i) such Liens shall be created substantially simultaneously with the acquisition of such fixed or capital assets, (ii) such Liens do not at any time encumber any property other than the property financed by such Indebtedness and (iii) the amount of Indebtedness secured thereby is not increased;

(h) Liens created pursuant to the Loan Documents, the JPMorgan Loan Documents or the 130 Capital Lease;

(i) any interest or title of a lessor under any lease entered into by the Borrower or any other Subsidiary in the ordinary course of its business and covering only the assets so leased;

(j) Liens securing judgments for the payment of money not constituting an Event of Default under Section 9(h); and

(k) Liens not otherwise permitted by this Section 8.3 securing Indebtedness in an aggregate principal amount not to exceed $500,000 at any time outstanding.

8.4. 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 or consolidated with or into the Borrower (provided that the Borrower shall be the continuing or surviving corporation) or with or into any Wholly Owned Subsidiary Guarantor (provided that the Wholly Owned Subsidiary Guarantor shall be the continuing or surviving corporation); and

(b) any Subsidiary of the Borrower may Dispose of any or all of its assets (i) to the Borrower or any Wholly Owned Subsidiary Guarantor (upon voluntary liquidation or otherwise) or (ii) pursuant to a Disposition permitted by Section 8.5; and

(c) any Subsidiary may merge with another Person to effect a transaction permitted under Section 8.8; and

(d) transactions permitted under Section 8.5 shall be permitted.

8.5. Disposition of Property. Dispose of any of its property, whether now owned or hereafter acquired, or, in the case of any Subsidiary, issue or sell any shares of such Subsidiary's Capital Stock to any Person, except:

(a) the Disposition of obsolete or worn out property in the ordinary course of business;

(b) the sale of inventory in the ordinary course of business;

(c) Dispositions permitted by clause (i) of Section 8.4(b);

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

(e) Dispositions of cash or Cash Equivalents in the ordinary course of business in transactions not otherwise prohibited by this Agreement;

(f) the Disposition of other property (other than Accounts or inventory) having a fair market value not to exceed $2,000,000 in the aggregate;

(g) Dispositions of real property owned on the Closing Date and located in the Borough and County of the Bronx, New York, whether pursuant to the arrangements described on Schedule 8.10 or otherwise; and

(h) the Disposition of the Riverside, New Jersey headquarters property of Sea Gull;

provided, however, for avoidance of doubt, in no event shall the Borrower or any of its Subsidiaries dispose of any Accounts or dispose of any Inventory other than in the ordinary course or business or pursuant to subparagraph (a), above.

8.6. Restricted Payments. Declare or pay any dividend (other than dividends payable solely in common stock of the Person making such 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 Group Member, 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 Holdings, the Borrower or any Subsidiary (collectively, "Restricted Payments"), except that:

(a) any Subsidiary may make Restricted Payments to the Borrower or any Wholly Owned Subsidiary Guarantor;

(b) so long as no Default or Event of Default shall have occurred and be continuing or would result therefrom, the Borrower may purchase common stock or common stock options from present or former officers or employees of any Group Member upon the death, disability or termination of employment of such officer or employee, provided, that the aggregate amount of payments under this clause (i) after the date hereof (net of any proceeds received by the Borrower after the date hereof in connection with resales of any common stock or common stock options so purchased) shall not exceed $750,000; and

(c) the Borrower may pay dividends to Holdings, and Holdings may pay dividends to Newco to permit Newco to pay (i) corporate overhead expenses and non-income taxes incurred or payable in the ordinary course of business not to exceed $50,000 in any fiscal year and (ii) any taxes that are due and payable by (x) Holdings as the parent of the Borrower to the extent such taxes are attributed solely to the net taxable income of the Borrower allocated to Holdings and (y) Newco as the parent of Holdings to the extent such taxes are attributed solely to the net taxable income of Holdings allocated to Newco.

8.7. Capital Expenditures. Make or commit to make any Capital Expenditure, except (a) Capital Expenditures of the Borrower and its Subsidiaries in the ordinary course of business not exceeding $5,000,000; provided, that (i) up to 50% of any such amount, if not so expended in the fiscal year for which it is permitted, may be carried over for expenditure in the next succeeding fiscal year and (ii) Capital Expenditures made pursuant to this clause (a) during any fiscal year shall be deemed made, first, in respect of amounts permitted for such fiscal year as provided above and, second, in respect of amounts carried over from the prior fiscal year pursuant to subclause (i) of this proviso and (b) Capital Expenditures made with the proceeds of any Reinvestment Deferred Amount or Eligible Equity Contributions.

8.8. 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 any assets constituting a business unit of, or make any other investment in, any Person (all of the foregoing, "Investments"), except:

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

(b) Investments in Cash Equivalents;

(c) Guarantee Obligations permitted by Section 8.2;

(d) loans and advances to employees of any Group Member in the ordinary course of business (including for travel, entertainment and relocation expenses) in an aggregate amount for all Group Members not to exceed $1,500,000 in the aggregate at any one time outstanding;

(e) intercompany Investments by any Group Member in the Borrower or any Person that, prior to such Investment, is a Wholly Owned Subsidiary Guarantor;

(f) Investments made from the proceeds of Eligible Equity Contributions;

(g) loans or advances by the Borrower or any of its Subsidiaries to Designated Manufacturers not to exceed $2,500,000 in the aggregate at any one time outstanding;

(h) investments by the Borrower in Juice Works JV for its working capital purposes not to exceed $5,000,000 in the aggregate at any one time outstanding; and

(i) in addition to Investments otherwise expressly permitted by this Section, Investments by the Borrower or any of its Subsidiaries in an aggregate amount (valued at cost) not to exceed $5,000,000 outstanding at any time.

8.9. Optional Payments and Modifications of Certain Debt Instruments. (a) Make or offer to make any optional or voluntary payment, prepayment, repurchase or redemption of or otherwise optionally or voluntarily defease or segregate funds with respect to the principal in respect of the Indebtedness under the JPMorgan Loan Documents or the 130 Capital Lease, (b) amend, modify, waive or otherwise change, or consent or agree to any amendment, modification, waiver or other change to, any of the terms of the JPMorgan Loan Documents or the 130 Capital Lease (other than any such amendment, modification, waiver or other change that (i) would extend the maturity or reduce the amount of any payment of principal thereof or reduce the rate or extend any date for payment of interest thereon and (ii) does not involve the payment of a consent fee), or (c) modify, waive or otherwise change, or consent or agree to any amendment, modification, waiver or other change to, any of the terms of any preferred stock of Newco or Holdings in a manner materially adverse to the interests of the Lenders, including, without limitation, any amendment, modification, waiver or other change that would move-up the scheduled redemption date or increase the amount of any scheduled redemption payment or increase the rate or move-up any date for payment of dividends thereon.

8.10. Transactions with Affiliates. Enter into any transaction, including 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 Holdings, the Borrower or any Wholly Owned Subsidiary Guarantor) unless such transaction is (a) otherwise permitted under this Agreement, (b) in the ordinary course of business of the relevant Group Member, and (c) upon fair and reasonable terms no less favorable to the relevant Group Member, than it would obtain in a comparable arm's length transaction with a Person that is not an Affiliate. No management fees shall be paid to the Sponsor or any Person (or any advisor of any Person) holding an equity interest in Holdings, except that, notwithstanding the foregoing, (x) the Sponsor and its Control Investment Affiliates shall be permitted to earn fees in an amount not to exceed $300,000 per year and to be reimbursed for out-of-pocket expenses not to exceed

$200,000 (excluding any out-of-pocket expenses incurred in conjunction with the Plan of Reorganization and paid on or prior to the date which is 30-days after the consummation of the Restructuring) per year pursuant to the management agreement between the Sponsor and Borrower as in effect on the Closing Date, provided that (i) such fee shall not be paid in cash until all Obligations have been paid and performed in full and (ii) such management agreement shall have been fully subordinated to the Obligations on terms satisfactory to the Administrative Agent. Notwithstanding the foregoing, Subsidiaries of the Borrower shall be permitted to sell real property owned in the Borough and County of the Bronx, New York and identified on Schedule 8.10 pursuant to the existing contractual arrangements described on Schedule 8.10.

8.11. Sales and Leasebacks. Enter into any arrangement with any Person providing for the leasing by any Group Member of real or personal property that has been or is to be sold or transferred by such Group Member to such Person or 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 such Group Member, except to the extent permitted under Section 8.2(e) and 8.3(g).

8.12. Hedge Agreements. Enter into any Hedge Agreement, except (a) unsecured Hedge Agreements entered into to hedge or mitigate risks to which the Borrower or any Subsidiary has actual exposure (other than those in respect of Capital Stock) and (b) unsecured Hedge Agreements entered into in order to effectively cap, collar or exchange interest rates (from fixed to floating rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or investment of the Borrower or any Subsidiary and, in each case, not for speculative purposes.

8.13. Changes in Fiscal Periods. Permit the fiscal year of the Borrower to end on a day other than on the last Friday in December of each year or change the Borrower's method of determining fiscal quarters.

8.14. Negative Pledge Clauses. Enter into or suffer to exist or become effective any agreement that prohibits, limits or imposes any condition upon the ability of any Group Member to create, incur, assume or suffer to exist any Lien upon any of its property or revenues, whether now owned or hereafter acquired, other than (a) this Agreement and the other Loan Documents and (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).

8.15. Clauses Restricting Subsidiary Distributions. Enter into or suffer to exist or become effective any consensual encumbrance or restriction on the ability of any Subsidiary of the Borrower to (a) make Restricted Payments in respect of any Capital Stock of such Subsidiary held by, or pay any Indebtedness owed to, the Borrower or any other Subsidiary of the Borrower, (b) make loans or advances to, or other Investments in, the Borrower or any other Subsidiary of the Borrower or (c) transfer any of its assets to the Borrower or any other Subsidiary of the Borrower, except for such encumbrances or restrictions existing under or by reason of (i) any restrictions existing under the Loan Documents and (ii) any restrictions with respect to a Subsidiary imposed pursuant to an agreement that has been entered into in

connection with the Disposition of all or substantially all of the Capital Stock or assets of such Subsidiary.

8.16. Lines of Business; Business of Holdings. (a) With respect to the Borrower and its Subsidiaries, enter into any business, either directly or through any Subsidiary, except for those businesses in which the Borrower and its Subsidiaries are engaged on the date of this Agreement or that are reasonably related thereto.

(b) With respect to Holdings, (i) conduct, transact or otherwise engage in, or commit to conduct, transact or otherwise engage in, any business or operations other than those incidental to its ownership of the Capital Stock of the Borrower, (ii) incur, create, assume or suffer to exist any Indebtedness, except (x) nonconsensual obligations imposed by operation of law, (y) pursuant to the Loan Documents to which it is a party, and (z) obligations with respect to its Capital Stock, or (iii) own, lease, manage or otherwise operate any properties or assets (including cash (other than cash received in connection with Restricted Payments made by the Borrower in accordance with Section 8.6 pending application in the manner contemplated by said Section) and Cash Equivalents) other than the ownership of shares of Capital Stock of the Borrower and any activities incidental to its ownership of such Capital Stock.

SECTION 9. 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 or Reimbursement Obligation when due in accordance with the terms hereof (other than a payment required under Section 4.2(g)); or the Borrower shall fail to pay any interest on any Loan or Reimbursement Obligation, or any other amount payable hereunder or under any other Loan Document, within five days after any such 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, document or financial or other statement furnished by it at any time under or in connection with this Agreement or any such other Loan Document shall prove to have been inaccurate in any material respect on or as of the date made or deemed made; or

(c) (i) any Loan Party shall default in the observance or performance of any agreement contained in clause (i) of Section 7.4(a) (with respect to Holdings and the Borrower only), Section 7.1, Section 7.2 (other than Section 7.2(e), (h), (i), (j) or (k)) or Section 8 of this Agreement or Sections 5.6(i) and (ii), 5.8(b), 5.13 and 5.14 of the Guarantee and Collateral Agreement or (ii) an "Event of Default" under and as defined in any Mortgage shall have occurred and be continuing; or

(d) any Loan Party shall default in the observance or performance of Section 4.2(g) or Section 7.2(h) or (i) and such default shall continue unremedied for a period of five Business days, or any Loan Party shall default in the observance or performance of Section 7.2(j) and such default shall continue unremedied for a period of (x) two Business Days with respect to a default in the observance or performance under clause

(x) thereof or (y) five Business Days with respect to a default in the observance or performance under clause (y) thereof, or 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 30 days after the earlier of (i) the date on which a Responsible Officer of any Loan Party becomes aware of such failure, and (ii) the date on which written notice thereof is delivered by the Administrative Agent or the Required Lenders to the Borrower; or

(e) any Group Member (i) defaults in making any payment of any principal of any Indebtedness (including any Guarantee Obligation, but excluding the Loans) on the scheduled or original due date with respect thereto; or (ii) defaults in making any payment of any interest on any such Indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such Indebtedness was created; or (iii) defaults in the observance or performance of any other agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or beneficiary of such Indebtedness (or a trustee or agent on behalf of such holder or beneficiary) to cause, with the giving of notice if required, such Indebtedness to become due prior to its stated maturity or to become subject to a mandatory offer to purchase by the obligor thereunder or (in the case of any such Indebtedness constituting a Guarantee Obligation) to become payable; provided that a default, event or condition described in clause (i), (ii) or (iii) of this paragraph (e) shall not at any time constitute an Event of Default unless, at such time, one or more defaults, events or conditions of the type described in clauses (i), (ii) and (iii) of this paragraph (e) shall have occurred and be continuing with respect to Indebtedness the outstanding principal amount of which exceeds in the aggregate $5,000,000; or

(f) (i) any Group Member shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets, or any Group Member shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against any Group Member any case, proceeding or other action of a nature referred to in clause (i) above that (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed, undischarged or unbonded for a period of 60 days; or (iii) there shall be commenced against any Group Member any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distrait or similar process against all or any substantial part of its assets that results in the entry of an order for any such relief that shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof; or (iv) any Group Member shall take any action in furtherance of, or indicating its consent to, approval of, or

acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) any Group Member shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

(g) (i) any Group Member or any Commonly Controlled Entity shall engage in any "prohibited transaction" (as defined in Section 406 of ERISA or Section 4975 of the Code) involving any Plan, (ii) any "accumulated funding deficiency" (as defined in Section 302 of ERISA), whether or not waived, shall exist with respect to any Plan or any Lien in favor of the PBGC or a Plan shall arise on the assets of any Group Member or any Commonly Controlled Entity, (iii) 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, (iv) any Single Employer Plan shall terminate for purposes of Title IV of ERISA, (v) any Group Member or any Commonly Controlled Entity shall, or in the reasonable opinion of the Required Lenders is likely to, incur any liability in connection with a withdrawal from, or the Insolvency or Reorganization of, a Multiemployer Plan or (vi) any other event or condition shall occur or exist with respect to a Plan; and in each case in clauses (i) through (vi) above, such event or condition, together with all other such events or conditions, if any, could, in the sole judgment of the Required Lenders, reasonably be expected to have a Material Adverse Effect; or

(h) one or more judgments or decrees shall be entered against any Group Member involving in the aggregate a liability (not paid or fully covered by insurance as to which the relevant insurance company has acknowledged coverage) of $5,000,000 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

(i) any of the Security Documents shall cease, for any reason, to be in full force and effect, or any Loan Party or any Affiliate of any Loan Party shall so assert, or any Lien created by any of the Security Documents shall cease to be enforceable and of the same effect and priority purported to be created thereby or any Loan Party or any Affiliate of any Loan Party shall so assert; or

(j) the guarantee contained in Section 2 of the Guarantee and Collateral Agreement shall cease, for any reason, to be in full force and effect or any Loan Party or any Affiliate of any Loan Party shall so assert; or

(k) (i) the Sponsor and its Control Investment Affiliates shall cease to own and control, of record and beneficially, directly or indirectly, securities having the right to elect the majority of the directors of Newco (determined on a fully diluted basis); (ii) the Sponsor and its Control Investment Affiliates shall cease to own of record and beneficially equity interests of Newco equal to at least 20% of the outstanding common equity interests of Newco (determined on a fully diluted basis); (iii) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")), excluding the Sponsor, Apollo

Investment Corporation and their respective Control Investment Affiliates or any such group existing on the Closing Date, shall become, or obtain rights (whether by means or warrants, options or otherwise) to become, the "beneficial owner" (as defined in Rules 13(d)-3 and 13(d) 5 under the Exchange Act), directly or indirectly, of more than 50% of the outstanding equity interests of Newco; (iv) the board of directors of Holdings shall cease to consist of a majority of Continuing Directors; (v) Newco shall cease to own and control, of record and beneficially, directly or indirectly, 100% of each class of outstanding Capital Stock of Holdings free and clear of all Liens (except Liens permitted under Section 8.3); or (v) Holdings shall cease to own and control, of record and beneficially, directly, 100% of each class of outstanding Capital Stock of the Borrower free and clear of all Liens (except Liens permitted under Section 8.3);

then, and in any such event, (A) if such event is an Event of Default specified in clause (i) or (ii) of paragraph (f) above with respect to the Borrower, automatically the Commitments shall immediately terminate and the Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents (including all amounts of L/C Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder) shall immediately become due and payable and (B) if such event is any other Event of Default, either or both of the following actions may be taken: (i) with the consent of the Majority Facility Lenders with respect to the Revolving Facility or Required Lenders, the Administrative Agent may, or upon the request of the Majority Facility Lenders with respect to the Revolving Facility or Required Lenders, the Administrative Agent shall, by notice to the Borrower declare the Revolving Commitments to be terminated forthwith, whereupon the Revolving Commitments shall immediately terminate; and (ii) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Borrower, declare the Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents (including all amounts of L/C Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder) to be due and payable forthwith, whereupon the same shall immediately become due and payable. With respect to all Letters of Credit with respect to which presentment for honor shall not have occurred at the time of an acceleration pursuant to this paragraph, the Borrower shall at such time deposit in a cash collateral account opened by the Administrative Agent an amount equal to the aggregate then undrawn and unexpired amount of such Letters of Credit. Amounts held in such cash collateral account shall be applied by the Administrative Agent to the payment of drafts drawn under such Letters of Credit, and the unused portion thereof after all such Letters of Credit shall have expired or been fully drawn upon, if any, shall be applied to repay other obligations of the Borrower hereunder and under the other Loan Documents in accordance with the Guarantee and Collateral Agreement. After all such Letters of Credit shall have expired or been fully drawn upon, all Reimbursement Obligations shall have been satisfied and all other obligations of the Borrower hereunder and under the other Loan Documents (other than obligations under or in respect of Specified Cash Management Agreements) shall have been paid in full, the balance, if any, in such cash collateral account shall be returned to the Borrower (or such other Person as may be lawfully entitled thereto). Except as expressly provided above in this Section, presentment, demand, protest and all other notices of any kind are hereby expressly waived by the Borrower.

SECTION 10. THE AGENTS

10.1. Appointment. (a) Each Lender hereby irrevocably designates and appoints each Agent as the agent of such Lender under this Agreement and the other Loan Documents, and each such Lender irrevocably authorizes such 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 such 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, no Agent shall have any duties or responsibilities, except those expressly set forth herein, 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 any Agent.

(b) Each of the Secured Parties hereby irrevocable designates and appoints BNP Paribas as Collateral Agent of such Secured Party under this Agreement and the other Loan Documents (in such capacity, the "Collateral Agent"), and each such Secured Party irrevocably authorizes the Collateral Agent, in such capacity, to take such action on its behalf as are necessary or advisable with respect to the Collateral under this Agreement or any of the other Loan Documents, together with such powers as are reasonably incidental thereto. The Collateral Agent hereby accepts such appointment.

10.2. Delegation of Duties. Each 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. No Agent shall be responsible for the negligence or misconduct of any agents or attorneys in fact selected by it with reasonable care.

10.3. Exculpatory Provisions. Neither any Agent nor any of their respective 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 to have resulted from its or such Person's own 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 Agents 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 Agents 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.

10.4. Reliance by Agents. Each 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 such Agent. The Administrative Agent may deem and treat the Lender specified in the Register with respect to any amount owing hereunder 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. Each 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 Agents 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.

10.5. Notice of Default. No Agent shall be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder unless such Agent 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 any other instructing group of Lenders specified by this Agreement); 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.

10.6. Non Reliance on Agents and Other Lenders. Each Lender expressly acknowledges that neither the Agents nor any of their respective officers, directors, employees, agents, attorneys in fact or Affiliates have made any representations or warranties to it and that no act by any 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 any Agent to any Lender. Each Lender represents to the Agents that it has, independently and without reliance upon any 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 any 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.

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

10.8. Agent in Its Individual Capacity. Each 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 such Agent were not an 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, each 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 an Agent, and the terms "Lender" and "Lenders" shall include each Agent in its individual capacity.

10.9. Successor Agents. The Administrative Agent and the Collateral Agent may resign as Administrative Agent and Collateral Agent, respectively, upon 30 days' notice to the Lenders and the Borrower. If the Administrative Agent or Collateral Agent, as applicable, shall resign as Administrative Agent or Collateral Agent, as applicable, under this Agreement and the other Loan Documents, then the Required Lenders shall appoint from among the Lenders a successor agent for the Lenders, which successor agent shall (unless an Event of Default under Section 9(a) or Section 9(f) with respect to the Borrower shall have occurred and be continuing) be subject to approval by the Borrower (which approval shall not be unreasonably withheld or delayed), whereupon such successor agent shall succeed to the rights, powers and duties of the Administrative Agent or Collateral Agent, as applicable, and the term "Administrative Agent" or

"Collateral Agent," as applicable, shall mean such successor agent effective upon such appointment and approval, and the former Administrative Agent's, or Collateral Agent's, as applicable, rights, powers and duties as Administrative Agent or Collateral Agent, as applicable, shall be terminated, without any other or further act or deed on the part of such former Administrative Agent or Collateral Agent, as applicable, or any of the parties to this Agreement or any holders of the Loans. If no successor agent has accepted appointment as Administrative Agent or Collateral Agent, as applicable, by the date that is 30 days following a retiring Administrative Agent's or Collateral Agent's, as applicable, notice of resignation, the retiring Administrative Agent's or Collateral Agent's, as applicable, resignation shall nevertheless thereupon become effective and the Lenders shall assume and perform all of the duties of the Administrative Agent or Collateral Agent, as applicable, hereunder until such time, if any, as the Required Lenders appoint a successor agent as provided for above. After any retiring Administrative Agent's or Collateral Agent's, as applicable, resignation as Administrative Agent or Collateral Agent, as applicable, the provisions of this Section 10 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent or Collateral Agent, as applicable, under this Agreement and the other Loan Documents.

10.10. Agents Generally. Except as expressly set forth herein, no Agent shall have any duties or responsibilities hereunder in its capacity as such. Notwithstanding anything to the contrary contained herein or in any other Loan Document, the Collateral Agent shall act in accordance with any directions received from the Required Lenders; provided that, such directions do not violate the terms of this Agreement or any other Loan Document or any provision of applicable law.

SECTION 11. MISCELLANEOUS

11.1. 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 11.1. 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 of 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, as the case may be, 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, extend the scheduled date of any amortization payment in respect of any Cash-Pay Term Loan, reduce the stated rate of any interest or forgive or reduce any interest or fee payable hereunder (except (x) in connection with the waiver of applicability of any post-default increase in interest rates, which waiver shall be effective with the consent of the Majority Facility Lenders of each adversely affected Facility and (y) that any amendment or modification of defined terms used in the financial covenants in this Agreement shall not constitute a reduction in the rate of interest or fees for purposes of this clause (i)) 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 affected thereby; (ii) eliminate or reduce the voting rights of any Lender under this Section 11.1 without the written consent of such Lender; (iii) 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 Holdings or all or substantially all of the Subsidiary Guarantors from their obligations under the Guarantee and Collateral Agreement, in each case without the written consent of all Lenders; (iv) amend, modify or waive any condition precedent to any extension of credit under the Revolving Facility set forth in Section 6.2 (including in connection with any waiver of an existing Default or Event of Default) without the written consent of the Majority Facility Lenders with respect to the Revolving Facility; (v) amend, modify or waive any provision of Section 4.2(e) or 4.8 or Section 6.5 of the Guarantee and Collateral Agreement without the written consent of the Majority Facility Lenders in respect of each Facility adversely affected thereby; (vi) waive any mandatory prepayment or reduce the amount of Net Cash Proceeds or Excess Cash Flow required to be applied to prepay Loans under this Agreement without the written consent of the Majority Facility Lenders with respect to each Facility entitled to receive such payment; (vii) 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; (viii) amend, modify or waive any provision of Section 10 without the written consent of each Agent adversely affected thereby; (ix) amend, modify or waive any provision of Section 11.6 to further restrict any Lender's ability to assign or otherwise transfer its or obligations hereunder without the written consent of all Lenders, (x) amend, modify or waive any provision of Section 3.3 or 3.4 without the written consent of the Swingline Lender; (xi) amend, modify or waive any provision of Section 4.2 in a manner adverse to the Revolving Lenders without the written consent of the Majority Facility Lenders with respect to the Revolving Facility; (xii) amend, modify or waive any provision of Sections 3.7 to 3.14 without the written consent of the Issuing Lender; or (xiii) amend or modify the definition of "Borrowing Base" or any terms used in the calculation of the Borrowing Base, or amend, modify or waive any requirement for the delivery of a Borrowing Base Certificate, without the written consent of the Majority Facility Lenders with respect to the Revolving Facility; provided, further, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except to the extent the consent of such Lender would be required under the foregoing clause (i) of this Section 11.1; provided, further, that should the Borrower and the Administrative Agent agree to effectuate prepayments required pursuant to Section 4.2(g) through the automatic transfer of such excess amounts from any Lender to the Administrative Agent, the Administrative Agent shall be permitted to waive any requirements for the delivery of a Bi-Weekly Cash Report required hereunder without Lender consent. 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 Agents and all future holders of the Loans. In the case of any waiver, the Loan Parties, the Lenders and the Agents 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; but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon; provided, however, notwithstanding anything to the contrary herein, in connection with any waiver of any Event of Default, the provisions of Section 4.2(e) with respect to the application of prepayments upon and during the continuance of an Event of Default shall

continue to apply as if such Event of Default had not been waived, unless such waiver has been consented to by the Majority Facility Lenders with respect to Revolving Facility.

Notwithstanding the foregoing, this Agreement may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent and the Borrower solely (a) to add one or more additional credit facilities to this Agreement and to permit the extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof (collectively, the "Additional Extensions of Credit") to share ratably in the benefits of this Agreement and the other Loan Documents with the Term Loans and Revolving Extensions of Credit and the accrued interest and fees in respect thereof and (b) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders and Majority Facility Lenders; provided, that no such amendment shall permit the Additional Extensions of Credit to share ratably with or with preference to the Term Loans in the application of mandatory prepayments without the consent of the Majority Facility Lenders under each Facility (other than the Revolving Facility) or otherwise to share ratably with or with preference to the Revolving Extensions of Credit without the consent of the Majority Facility Lenders under the Revolving Facility.

In addition, notwithstanding the foregoing, this Agreement may be amended with the written consent of the Administrative Agent, the Borrower and the Lenders providing the relevant Replacement Term Loans (as defined below) to permit the refinancing of all outstanding Term Loans ("Refinanced Term Loans") with a replacement "B" term loan tranche hereunder ("Replacement Term Loans"), provided that (a) the aggregate principal amount of such Replacement Term Loans shall not exceed the aggregate principal amount of such Refinanced Term Loans, (b) the Applicable Margin for such Replacement Term Loans shall not be higher than the Applicable Margin for such Refinanced Term Loans, (c) the weighted average life to maturity of such Replacement Term Loans shall not be shorter than the weighted average life to maturity of such Refinanced Term Loans at the time of such refinancing and (d) all other terms applicable to such Replacement Term Loans shall be substantially identical to, or less favorable to the Lenders providing such Replacement Term Loans than, those applicable to such Refinanced Term Loans, except to the extent necessary to provide for covenants and other terms applicable to any period after the latest final maturity of the Term Loans in effect immediately prior to such refinancing.

11.2. 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 Holdings, the Borrower and the Agents, 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:

Holdings or the Borrower:	Quality Home Brands Holdings LLC 1100 Crescent Green Suite 105 Cary, NC 27518

	Attention: Dan Macsherry Telecopy: (718) 401-0321 Telephone: (718) 292-2024
The Administrative Agent:	BNP Paribas 209 S. LaSalle Street, Suite 50 Chicago, IL 60604 Attention: Michael Colias Telecopy: (312) 977-1380 Telephone: (312) 977-2235
with a copy to:	BNP Paribas 787 Seventh Avenue New York, New York 10019-6016 Attention: Charles Romano Telecopy: (212) 841-3065 Telephone: (212) 841-2968

provided that any notice, request or demand to or upon any Agent, the Issuing Lender or the Lenders 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 or 3 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.

11.3. No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of any 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.

11.4. 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.

11.5. Payment of Expenses and Taxes. The Borrower agrees (a) to pay or reimburse each Agent for all its reasonable 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 and 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 the reasonable fees and disbursements of counsel to such Agent and filing and recording fees and expenses, with statements with respect to the foregoing to be submitted to the Borrower prior to the Closing Date (in the case of amounts to be paid on the Closing Date) and from time to time thereafter on a quarterly basis or such other periodic basis as such Agent shall deem appropriate, (b) to pay or reimburse each Lender and Agent for all its costs and expenses incurred in connection with the enforcement or preservation of any rights under this Agreement, the other Loan Documents and any such other documents, including the fees and disbursements of counsel (including the allocated fees and expenses of in-house counsel) to each Lender and of counsel to such Agent, (c) to pay, indemnify, and hold each Lender and 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, stamp, excise and other taxes, if any, that 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 (d) to pay, indemnify, and hold each Lender and Agent and their respective officers, directors, employees, affiliates, trustees, advisors, agents and controlling persons (each, an "Indemnitee") harmless from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Agreement, the other Loan Documents (regardless of whether any Loan Party is or is not a party to any such actions or suits) and any such other documents, including 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 any Group Member or any of the Properties and the reasonable fees and expenses of legal counsel in connection with claims, actions or proceedings by any Indemnitee against any Loan Party under any Loan Document (all the foregoing in this clause (d), 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 final and nonappealable decision of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of such Indemnitee. Without limiting the foregoing, and to the extent permitted by applicable law, Holdings agrees not to assert and to cause its Subsidiaries not to assert, and hereby waives and agrees to cause its Subsidiaries to waive, all rights for contribution or any other rights of recovery with respect to all claims, demands, penalties, fines, liabilities, settlements, damages, costs and expenses of whatever kind or nature, under or related to Environmental Laws, that any of them might have by statute or otherwise against any Indemnitee. All amounts due under this Section 11.5 shall be payable not later than 10 days after written demand therefor. Statements payable by the Borrower pursuant to this Section 11.5 shall be submitted to William Haley (Telephone No. (718) 292-2024) (Telecopy No. (718) 401-0321), at the address of the Borrower set forth in Section 11.2, 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 11.5 shall survive repayment of the Loans and all other amounts payable hereunder.

11.6. 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 the

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 assign to one or more assignees (each, an "Assignee") 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, delayed or conditioned) of:

(A) the Borrower, provided that no consent of the Borrower shall be required for an (x) assignment to a Lender, an Affiliate of a Lender, an Approved Fund or, if an Event of Default has occurred and is continuing, any other Person, (y) any assignment by the Administrative Agent (or its Affiliates) or (z) any assignment of Term Loans; and

(B) the Administrative Agent, provided that no consent of the Administrative Agent shall be required for an assignment to an Assignee that is a Lender, an Affiliate of a Lender or an Approved Fund immediately prior to giving effect to such assignment, except in the case of an assignment of a Revolving Commitment; and

(C) in the case of any assignment of a Revolving Commitment, the Issuing Lender and the Swingline 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, an assignment effected by the Administrative Agent in connection with the initial syndication of the Commitments 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 the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than $1,000,000 unless each of the Borrower and the Administrative Agent otherwise consent, provided that (1) no such consent of the Borrower shall be required if an Event of Default has occurred and is continuing and (2) such amounts shall be aggregated in respect of each Lender and its affiliates or Approved Funds, if any;

(B) except in the case of assignments pursuant to clause (iii) below, 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 simultaneous assignments in respect of a Lender and its Affiliates or Approved Funds shall be treated as a single assignment; provided

further that such processing and recordation fee shall not be required for any assignments made by the Administrative Agent or its Affiliates; and

(C) except in the case of assignments pursuant to clause (iii) below, the Assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an administrative questionnaire.

(iii) Notwithstanding anything in this Section 11.6 to the contrary, a Lender may assign any or all of its rights hereunder to an Affiliate of such Lender or an Approved Fund without (a) providing any notice (including, without limitation, any administrative questionnaire) to the Administrative Agent or any other Person or (b) delivering an executed Assignment and Assumption to the Administrative Agent, provided that (A) such assigning Lender shall remain solely responsible to the other parties hereto for the performance of its obligations under this Agreement, (B) the Borrower, the Administrative Agent, the Issuing Lender and the other Lenders shall continue to deal solely and directly with such assigning Lender in connection with such assigning Lender's rights and obligations under this Agreement until an Assignment and Assumption and an administrative questionnaire have been delivered to the Administrative Agent, (C) the failure of such assigning Lender to deliver an Assignment and Assumption or administrative questionnaire to the Administrative Agent or any other Person shall not affect the legality, validity or binding effect of such assignment and (D) an Assignment and Assumption between an assigning Lender and its Affiliate or Approved Fund shall be effective as of the date specified in such Assignment and Assumption.

(iv) Except as otherwise provided in clause (iii) above, 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 entitled to the benefits of Sections 4.9, 4.10, 4.11 and 11.5). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 11.6 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.

(v) 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 of the Loans and L/C Obligations owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). Subject to the penultimate sentence of this Section 11.6(b)(v), the entries in the Register shall be conclusive, and the Borrower, the Administrative Agent, the Issuing Lender and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. In the case of an assignment to an Affiliate of a Lender or an Approved Fund pursuant to Section

11.6(b)(iii), as to which an Assignment and Assumption and an administrative questionnaire are not delivered to the Administrative Agent, the assigning Lender shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register (a "Related Party Register") comparable to the Register on behalf of the Borrower. The Register or Related Party Register shall be available for inspection by the Borrower, the Issuing Lender and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(vi) Except as otherwise provided in clause (iii) above, 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. Except as otherwise provided in clause (iii) above, no assignment shall be effective for purposes of this Agreement unless and until it has been recorded in the Register (or, in the case of an assignment pursuant to clause (iii) above, the applicable Related Party Register) as provided in this Section 11.6(b).

(c) (i) Any Lender may, without the consent of the Borrower or the Administrative Agent, sell participations to one or more banks or other entities (a "Participant") 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 and (C) the Borrower, the Administrative Agent, the Issuing Lender 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. 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 each Lender directly affected thereby pursuant to the proviso to the second sentence of Section 11.1 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 4.9, 4.10 and 4.11 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant and its participations are recorded in the Register in accordance with Section 11.6(b)(v) as if such Participant were a Lender. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 11.7(b) as though it were a Lender, provided such Participant shall be subject to Section 11.7(a) as though it were a Lender; provided that such Participant and its participations are recorded in the Register in accordance with Section 11.6(b)(v) as if such Participant were a Lender.

(ii) A Participant shall not be entitled to receive any greater payment under Section 4.9 or 4.10 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. Any Participant that is a Non-U.S. Lender

shall not be entitled to the benefits of Section 4.10 unless such Participant complies with Section 4.10(d).

(d) Any Lender may 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 or any other Person, and may sell or securitize such obligations, and this Section shall not apply to any such pledge or assignment of a security interest or to any such sale or securitization; 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. In addition, notwithstanding anything to the contrary contained herein, any Lender that is a Fund may (without the consent of the Administrative Agent or the Borrower) grant a security interest in all or any portion of the Loans owing to it and the Notes (if any) held by it to the trustee or other representative of holders of obligations owed, or securities issued, by such Fund as security for such obligations or securities, provided that unless and until such trustee or other representative actually becomes a Lender in compliance with the other provisions of this Section, (i) no such pledge shall release the pledging Lender from any of its obligations under this Agreement and (ii) such trustee or other representative shall not be entitled to exercise any of the rights of a Lender under this Agreement and the Notes (if any) even though such trustee may have acquired ownership rights with respect to the pledged interest through foreclosure or otherwise.

(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) Notwithstanding the foregoing, any Conduit Lender may assign any or all of the Loans it may have funded hereunder to its designating Lender without the consent of the Borrower or the Administrative Agent and without regard to the limitations set forth in Section 11.6(b). Each of Holdings, the Borrower, each Lender and the Administrative Agent hereby confirms that it will not institute against a Conduit Lender or join any other Person in instituting against a Conduit Lender any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding under any state bankruptcy or similar law, for one year and one day after the payment in full of the latest maturing commercial paper note issued by such Conduit Lender; provided, however, that each Lender designating any Conduit Lender hereby agrees to indemnify, save and hold harmless each other party hereto for any loss, cost, damage or expense arising out of its inability to institute such a proceeding against such Conduit Lender during such period of forbearance.

(g) Notwithstanding anything to the contrary in the foregoing, the Borrower shall be permitted to purchase Cash-Pay Term Loans and/or PIK Term Loans, in one or more offers made through Administrative Agent, provided that (i) any such offer shall be made on a ratable basis (which may be through a "dutch auction" process) and otherwise on terms reasonably acceptable to the Administrative Agent, (ii) all payments in connection with any such offer and purchase (including, without limitation, the purchase price of such Loans, but excluding any interest paid thereon which would have otherwise been required to be paid in cash) shall be funded exclusively by Net Cash Proceeds of Eligible Equity Contributions and (iii)

any Term Loans so acquired are immediately cancelled and retired by Borrower (it being agreed that any such Term Loans purchased by the Borrower shall be deemed, for all purposes of this Agreement, to have been cancelled by Borrower regardless of whether such cancellation is documented). For the avoidance of doubt, upon such cancellation and retirement of Term Loans, the Term Loans so cancelled and retired shall be deemed not to be outstanding and to have no principal amount for any purposes under this Agreement (including, without limitation, for purposes of determining Required Lenders or Majority Facility Lenders)). For the avoidance of doubt, no income or gain from the cancellation of such indebtedness shall be included in Consolidated Net Income. Except as permitted by this Section 11.6(g), and notwithstanding any other contrary provision of this Section 11.6, Loans and Commitments may not be assigned to the Borrower, Sponsor or their Affiliates except that Loans may be assigned to a Person (excluding Sponsor and its Control Investment Affiliates) deemed an Affiliate solely as a result of such Person holding (or its Affiliate holding) 10% or more of the outstanding equity interests of Newco or Holdings if after giving effect to such assignment such Person and its Affiliates would not collectively hold more than 15% of the sum of (i) the aggregate unpaid principal amount of the Term Loans then outstanding and (ii) the Total Revolving Commitments then in effect.

11.7. Adjustments; Set off. (a) Except to the extent that this Agreement expressly 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 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 set off, pursuant to events or proceedings of the nature referred to in Section 9(f), or otherwise), in a greater proportion than any such payment to or collateral received by any other Lender, if any, in respect of the Obligations owing to such other Lender, such Benefited Lender shall purchase for cash from the other Lenders a participating interest in such portion of the Obligations owing to each such other Lender, 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) In addition to any rights and remedies of the Lenders provided by law, each Lender shall have the right, without prior notice to Holdings or the Borrower, any such notice being expressly waived by Holdings and the Borrower to the extent permitted by applicable law, upon any amount becoming due and payable by Holdings or the Borrower hereunder (whether at the stated maturity, by acceleration or otherwise), to set off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final), 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 Holdings or the Borrower, as the case may be. 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.

(c) For the avoidance of doubt it is agreed that this Section 11.7 shall not apply to any Permitted Loan Purchase, the issuance of equity in exchange for Term Loans purchased pursuant to any Permitted Loan Purchase, or the cancellation of such Loans in connection therewith.

11.8. 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; provided, however, that pursuant to the Plan or Reorganization all Lenders shall be deemed to execute this Agreement on the Closing Date. 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 executed Agreement shall be lodged with the Borrower and the Administrative Agent.

11.9. 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.

11.10. Integration. This Agreement and the other Loan Documents represent the entire agreement of Holdings, the Borrower, the Agents and the Lenders with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by any Agent or any Lender relative to subject matter hereof not expressly set forth or referred to herein or in the other Loan Documents.

11.11. **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.**

11.12. Submission To Jurisdiction; Waivers. Each of Holdings and the Borrower 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 courts of the State of New York sitting in the Borough of Manhattan, 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 Holdings or the Borrower, as the case may be at its address set forth in Section 11.2 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.

11.13. Acknowledgments. Each of Holdings and 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) no Agent or Lender has any fiduciary relationship with or duty to Holdings or the Borrower arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between the Agents and Lenders, on one hand, and Holdings 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 Holdings, the Borrower and the Lenders.

11.14. Releases of Guarantees and Liens. (a) Notwithstanding anything to the contrary contained herein or in any other Loan Document, each of the Administrative Agent and the Collateral Agent is hereby irrevocably authorized by each Lender (without requirement of notice to or consent of any Lender except as expressly required by Section 11.1) to take any action requested by the Borrower having the effect of releasing any Collateral or guarantee obligations (i) to the extent necessary to permit consummation of any transaction not prohibited by any Loan Document or that has been consented to in accordance with Section 11.1 or (ii) under the circumstances described in paragraph (b) below.

(b) At such time as the Loans, the Reimbursement Obligations and the other obligations under the Loan Documents shall have been paid in full (other than obligations under or in respect of Specified Cash Management Agreements), the Commitments have been terminated, all Letters of Credit shall have been discharged or secured by a collateral arrangement satisfactory to the Issuing Lender in its sole discretion, the Collateral shall be released from the Liens created by the Security Documents, and the Security Documents and all obligations (other than those expressly stated to survive such termination) of the Administrative Agent, the Collateral Agent and each Loan Party under the Security Documents shall terminate, all without delivery of any instrument or performance of any act by any Person.

11.15. Confidentiality. Each Agent and each Lender agrees to keep confidential all non-public information provided to it by any Loan Party pursuant to this Agreement that is designated by such Loan Party as confidential in accordance with its customary procedures for handling its own confidential information; provided that nothing herein shall prevent any Agent or any Lender from disclosing any such information (a) to any Agent, any other Lender, any Affiliate of a Lender or any Approved Fund, (b) subject to an agreement to comply with the provisions of this Section, to any actual or prospective Transferee, (c) to its employees, directors, agents, attorneys, accountants and other professional advisors or those of any of its affiliates, (d) upon the request or demand of any Governmental Authority, (e) in response to any order of any court or other Governmental Authority or as may otherwise be required pursuant to any Requirement of Law, (f) if requested or required to do so in connection with any litigation or similar proceeding, (g) that has been publicly disclosed, (h) 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 (i) in connection with the exercise of any remedy hereunder or under any other Loan Document.

11.16. **WAIVERS OF JURY TRIAL. HOLDINGS, THE BORROWER, THE AGENTS 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.**

11.17. Lenders Party to Agreement. Each initial Lender shall become a party to this Agreement on the Closing Date pursuant to the Plan of Reorganization regardless of whether a signature page is delivered to the Administrative Agent.

11.18. Supplemental Schedules. From time to time, the Borrower shall be permitted to deliver to the Administrative Agent one or more supplemental Schedules updating the disclosures set forth on the Schedules hereto and upon such delivery, such supplemental Schedules shall replace in their entirety such prior Schedules, as the case may be, provided that such supplemental Schedules are approved by the Required Lenders. The Administrative Agent shall provide to each Lender a copy of any supplemental Schedules delivered by the Borrower pursuant to this Section 11.18.

11.19. Patriot Act Notice. Each Lender and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Loan Parties that pursuant to the requirements of the Patriot Act, it may be required to obtain, verify and record information that identifies each Loan Party, which information includes the name and address of such Loan Party and other information that will allow such Lender or the Administrative Agent, as applicable, to identify such Loan Party in accordance with the Patriot Act. The Borrower shall, and shall cause each of its Subsidiaries to, provide, to the extent commercially reasonable, such information and take such actions as are reasonably requested by the Administrative Agent or any Lenders in order to assist the Administrative Agent and the Lenders in maintaining compliance with the Patriot Act.

11.20. Closing Date Waiver.

(a) Any Default or Event of Default under the Original Credit Agreement is hereby waived, unless the facts or circumstances giving rise to such Default or Event of Default (i) are continuing on the Closing Date after giving effect to the Restructuring and (ii) constitute a Default or Event of Default under the terms of this Agreement.

(b) In consideration of the mutual covenants contained herein, each Lender, on behalf of itself and its affiliates, and its or their successors, assigns and agents, hereby expressly forever waives, releases and discharges any and all claims (including, without limitation, cross-claims, counterclaims, and rights of setoff and recoupment), causes of action (whether direct or derivative in nature), demands, suits, costs, liabilities, responsibilities, disputes, obligations, expenses and damages (collectively, the "Claims") any of them may have or allege to have as of the Closing Date (and all defenses that may arise out of any of the foregoing) of any nature, description, or kind whatsoever, based in whole or in part on facts, whether actual, contingent or otherwise, now known, unknown, or subsequently discovered, whether arising in law, at equity or otherwise, against the Sponsor and its affiliates, including without limitation its Control Investment Affiliates, Quad-C Partners VI, L.P., Quad-C Principals LLC and QHB Investors Real Estate Holdings, Inc., and each of their respective agents, principals, managers, managing members, members, stockholders, "controlling persons" (within the meaning of the United States federal securities laws), directors (individually and in their capacities as directors), officers, employees, attorneys, consultants, advisors, agents, trusts, trustors, beneficiaries, heirs, executors and administrators of each of the foregoing, other than Holdings, the Borrower, or any of their respective Subsidiaries (collectively, the "Released Parties") arising out of the Original Credit Agreement, any "Loan Documents" referenced therein, the Restructuring, and any or all of the actions and transactions contemplated hereby or thereby, including any actual or alleged performance or non-performance of any of the Released Parties under the Original Credit Agreement or under the "Loan Documents" (as defined in the Original Credit Agreement); provided that (i) the Claims released pursuant to this Section 11.20 do not include any Claim arising from fraud or intentional misconduct and (ii) nothing in this Section 11.20 shall be deemed to release any Loan Party from any of its Obligations under this Agreement or any of the Loan Documents. Each Lender hereby acknowledges that the agreements in this Section 11.20 are intended to be in full satisfaction of all or any alleged injuries or damages arising in connection with the Claims released hereunder. Each Lender hereby agrees and acknowledges that the validity and effectiveness of the releases set forth above does not depend in any way on any representation, acts and/or omissions or the accuracy, completeness, or validity of any representations, acts, or omissions by any of the Released Parties. The provisions of this paragraph shall survive the termination of this Agreement and the Loan Documents and the payment in full of all Obligations of the Loan Parties under or in respect of this Agreement and other Loan Documents and all other amounts owing thereunder. Each Lender hereby agrees and acknowledges that each of the Released Parties is an intended third-party beneficiary, and is conclusively entitled to rely on the provisions, of this Section 11.20. In the case of BNP Paribas, its agreements under this paragraph are being made in its capacity as a Lender and in its capacity as Administrative Agent and Collateral Agent under the Original Credit Agreement. For avoidance of doubt, the releases granted pursuant to this Section 11.20

shall be effective regardless of any election made by a Lender pursuant to Section 7.16 of the Plan of Reorganization.

[Signatures on Next Page]

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.

QUALITY HOME BRANDS HOLDINGS LLC

By:_____
Name:
Title:

QHB HOLDINGS LLC

By:_____
Name:
Title:

BNP PARIBAS, as Administrative Agent and Collateral Agent and as a Lender

By:_____
Name:
Title:

By:_____
Name:
Title:

EXHIBIT F

NOTICE OF BORROWING

Pursuant to that certain Superpriority Secured Debtor-In-Possession Credit Agreement, dated as of December 4, 2009, as amended, supplemented or otherwise modified to the date hereof (said Credit Agreement, as so amended, supplemented or otherwise modified, being the "**Credit Agreement**"; the terms defined therein and not otherwise defined herein being used herein as therein defined), by and among Quality Home Brands Holdings LLC, a Delaware limited liability company, as a debtor and debtor in possession (the "**Borrower**"), QHB Holdings, LLC, a Delaware limited liability company, as a debtor and debtor in possession ("**Holdings**"), the several banks and other financial institutions or entities from time to time parties thereto and BNP Paribas, as Administrative Agent and Collateral Agent, this represents the Borrower's request to borrow as follows:

1. Date of borrowing: _____, _____

2. Amount of borrowing: $_____

3. Lender(s):

   [ ] a. Revolving Lenders, in accordance with their applicable Revolving Percentage of the Revolving Commitments

   [ ] b. Swingline Lender

4. Type of Loans:

   [ ] a. Revolving Loans

   [ ] b. Swing Line Loan

5. Interest rate option:

   [ ] a. Base Rate Loan(s)

   [ ] b. Eurodollar Loans with an Interest Period of one month

The proceeds of such Loans are to be deposited in the Borrower's account at:

_____

_____

_____

6. Borrowing Base in effect: $_____

7. Total Revolving Extensions of Credit:[1]

a. Prior to borrowing: $_____

b. Giving effect to borrowing: $_____

The undersigned officer, in his or her capacity as a Responsible Officer, to the best of his or her knowledge, and the Borrower certify that:

(i) The representations and warranties contained in the Credit Agreement and the other Loan Documents are true, correct and complete in all material respects on and as of the date hereof to the same extent as though made on and as of the date hereof, except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties were true, correct and complete in all material respects on and as of such earlier date; provided that, if a representation and warranty, covenant or condition is qualified as to materiality, the applicable materiality qualifier set forth above shall be disregarded with respect to such representation and warranty, covenant, or condition for purposes of this condition;

(ii) No event has occurred and is continuing or would result from the consummation of the borrowing contemplated hereby that would constitute a Default or an Event of Default;

(iii) After giving effect to the borrowings requested hereby, the Total Revolving Extensions of Credit will not exceed the lesser of (x) the Borrowing Base in effect on the date hereof or (y) the Total Revolving Commitments; and

(iv) The aggregate balance of cash and Cash Equivalents held by the Loan Parties is not greater than $5,000,000 on the date of borrowing and after giving effect to the extensions of credit requested to be made on such date.

[signature pages follows]

---

[1] Includes all Revolving Loans, L/C Obligations then outstanding and Swingline Loans then outstanding

DATE: _____

QUALITY HOME BRANDS HOLDINGS LLC

By: _____
Name:
Title:

EXHIBIT G

FORM OF EXEMPTION CERTIFICATE

Reference is made to the Superpriority Secured Debtor-In-Possession Credit Agreement, dated as of December 4, 2009 (as amended, modified, supplemented, restated, replaced, or refinanced from time to time, the "Credit Agreement"), among QUALITY HOME BRANDS HOLDINGS LLC, a Delaware limited liability company, as a debtor and debtor in possession (the "Borrower"), QHB HOLDINGS LLC, a Delaware limited liability company, as a debtor and debtor in possession ("Holdings"), the several banks and other financial institutions or entities from time to time parties thereto and BNP Paribas, as administrative agent and collateral. Capitalized terms used herein that are not defined herein shall have the meanings ascribed to them in the Credit Agreement. _____ (the "Non-U.S. Lender") is providing this certificate pursuant to subsection 4.10(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 or the obligations evidenced by Note(s) 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 does not take deposits and 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 881(c)(3)(B) of the Code.

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

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

[NAME OF NON-U.S. LENDER]

By: _____
Name:
Title:

Date: _____, 20__

EXHIBIT H-1

FORM OF REVOLVING CREDIT NOTE

THIS NOTE AND THE OBLIGATIONS REPRESENTED HEREBY MAY NOT BE TRANSFERRED EXCEPT IN COMPLIANCE WITH THE TERMS AND PROVISIONS OF THE CREDIT AGREEMENT REFERRED TO BELOW. TRANSFERS OF THIS NOTE AND THE OBLIGATIONS REPRESENTED HEREBY MUST BE RECORDED IN THE REGISTER MAINTAINED BY THE ADMINISTRATIVE AGENT PURSUANT TO THE TERMS OF SUCH CREDIT AGREEMENT.

$_____ New York, New York
_____ ___, 200__

FOR VALUE RECEIVED, the undersigned, Quality Home Brands Holdings LLC, a Delaware limited liability company (the "Borrower"), hereby unconditionally promises to pay to _____ (the "Lender") or its registered successors and assigns at the Funding Office specified in the Credit Agreement (as hereinafter defined) in lawful money of the United States and in immediately available funds, on the Revolving Termination Date the principal amount of (a) [_____] [($$_____)], or, if less, (b) the aggregate unpaid principal amount of all Revolving Loans of the Lender outstanding under the Credit Agreement. The Borrower further agrees to pay interest in like money at such Funding Office on the unpaid principal amount hereof from time to time outstanding at the applicable rates and on the dates specified in Section 4.5 of the Credit Agreement.

The holder of this Note is authorized to endorse on the schedules annexed hereto and made a part hereof or on a continuation thereof which shall be attached hereto and made a part hereof the date, Type and amount of each Revolving Loan made pursuant to the Credit Agreement and the date and amount of each payment or prepayment of principal thereof, each continuation thereof, each conversion of all or a portion thereof to another Type and, in the case of Eurodollar Loans, the length of each Interest Period with respect thereto. Each such endorsement shall constitute rebuttably presumptive evidence of the accuracy of the information endorsed. The failure to make any such endorsement or any error in any such endorsement shall not affect the obligations of the Borrower under the Credit Agreement and other Loan Documents in respect of any Revolving Loan.

This Note (a) is one of the Notes evidencing the Revolving Loans under the Superpriority Secured Debtor-In-Possession Credit Agreement, dated as of December 4, 2009 (as amended, modified, supplemented, restated, replaced, or refinanced from time to time, the "Credit Agreement") among the Borrower, QHB Holdings LLC, a Delaware limited liability company, as a debtor and debtor in possession, the several banks and other financial institutions or entities from time to time parties thereto and BNP Paribas, as administrative agent and collateral agent, (b) is subject to the provisions of the Credit Agreement and (c) is subject to optional and mandatory prepayment in whole or in part as

provided in the Credit Agreement. This Note is secured and guaranteed as provided in the Loan Documents. Reference is hereby made to the Loan Documents for a description of the properties and assets in which a security interest has been granted, the nature and extent of the security and the guarantees, the terms and conditions upon which the security interests and each guarantee were granted and the rights of the holder of this Note in respect thereof.

Upon the occurrence of any one or more of the Events of Default, all principal and all accrued interest then remaining unpaid on this Note shall become, or may be declared to be, immediately due and payable, all as provided in the Credit Agreement.

All parties now and hereafter liable with respect to this Note, whether maker, principal, surety, guarantor, endorser or otherwise, hereby waive presentment, demand, protest and all other notices of any kind under this Note to the fullest extent permitted under applicable law.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN OR IN THE CREDIT AGREEMENT, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT PURSUANT TO AND IN ACCORDANCE WITH THE REGISTRATION AND OTHER PROVISIONS OF SECTION 11.6 OF THE CREDIT AGREEMENT.

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.

THE SUBMISSION TO JURISDICTION PROVISIONS IN SECTION 11.12 OF THE CREDIT AGREEMENT ARE HEREBY INCORPORATED BY REFERENCE IN THEIR ENTIRETY.

QUALITY HOME BRANDS HOLDINGS LLC

By: _____

Name:
Title:

Schedule A
to Revolving Credit Note

LOANS, CONVERSIONS AND REPAYMENTS OF BASE RATE LOANS

Date	Amount of Base Rate Loans	Amount Converted to Base Rate Loans	Amount of Principal of Base Rate Loans Repaid	Amount of Base Rate Loans Converted to Eurodollar Loans	Unpaid Principal Balance of Base Rate Loans	Notation Made By

Schedule B
to Revolving Credit Note

LOANS, CONTINUATIONS, CONVERSIONS AND REPAYMENTS OF EURODOLLAR LOANS

Date	Amount of Eurodollar Loans	Amount Converted to Eurodollar Loans	Interest Period and Eurodollar Rate with Respect Thereto	Amount of Principal of Eurodollar Loans Repaid	Amount of Eurodollar Loans Converted to Base Rate Loans	Unpaid Principal Balance of Eurodollar Loans	Notation Made By

EXHIBIT H-2

FORM OF SWINGLINE NOTE

THIS NOTE AND THE OBLIGATIONS REPRESENTED HEREBY MAY NOT BE TRANSFERRED EXCEPT IN COMPLIANCE WITH THE TERMS AND PROVISIONS OF THE CREDIT AGREEMENT REFERRED TO BELOW. TRANSFERS OF THIS NOTE AND THE OBLIGATIONS REPRESENTED HEREBY MUST BE RECORDED IN THE REGISTER MAINTAINED BY THE ADMINISTRATIVE AGENT PURSUANT TO THE TERMS OF SUCH CREDIT AGREEMENT.

$_____ New York, New York
_____ __, 200__

FOR VALUE RECEIVED, the undersigned, Quality Home Brands Holdings LLC, a Delaware limited liability company (the "Borrower"), hereby unconditionally promises to pay the Lender or its registered successors and assigns at the Funding Office specified in the Credit Agreement (as hereinafter defined) in lawful money of the United States and in immediately available funds, the principal amount of (a) [_____] ([$$_____]), or, if less, (b) the aggregate unpaid principal amount of the Swingline Loan of the Lender outstanding under the Credit Agreement. The principal amount shall be paid in the amounts and on the dates specified in Section 3.3 of the Credit Agreement. The Borrower further agrees to pay interest in like money at such Funding Office on the unpaid principal amount hereof from time to time outstanding at the applicable rates and on the dates specified in Section 4.5 of the Credit Agreement.

The holder of this Note is authorized to endorse on the schedules annexed hereto and made a part hereof or on a continuation thereof which shall be attached hereto and made a part hereof the date, Type and amount of the Swingline Loan and the date and amount of each payment or prepayment of principal with respect thereto, each conversion of all or a portion thereof to another Type, each continuation of all or a portion thereof as the same Type and, in the case of Eurodollar Loans, the length of each Interest Period with respect thereto. Each such endorsement shall constitute rebuttably presumptive evidence of the accuracy of the information endorsed. The failure to make any such endorsement or any error in any such endorsement shall not affect the obligations of the Borrower under the Credit Agreement and other Loan Documents in respect of the Swingline Loan.

This Note (a) is one of the Notes evidencing the Swingline Loan under the Superpriority Secured Debtor-In-Possession Credit Agreement, dated as of December 4, 2009 (as amended, modified, supplemented, restated, replaced, or refinanced from time to time, the "Credit Agreement"), among the Borrower, QHB Holdings LLC, a Delaware limited liability company, as a debtor and debtor in possession ("Holdings"), the several banks and other financial institutions or entities from time to time parties thereto and BNP Paribas, as administrative agent and collateral agent (b) is subject to the provisions of the Credit Agreement and (c) is subject to optional and mandatory prepayment in

whole or in part as provided in the Credit Agreement. This Note is secured and guaranteed as provided in the Loan Documents. Reference is hereby made to the Loan Documents for a description of the properties and assets in which a security interest has been granted, the nature and extent of the security and the guarantees, the terms and conditions upon which the security interests and each guarantee were granted and the rights of the holder of this Note in respect thereof.

Upon the occurrence of any one or more of the Events of Default, all principal and all accrued interest then remaining unpaid on this Note shall become, or may be declared to be, immediately due and payable, all as provided in the Credit Agreement.

All parties now and hereafter liable with respect to this Note, whether maker, principal, surety, guarantor, endorser or otherwise, hereby waive presentment, demand, protest and all other notices of any kind under this Note to the fullest extent permitted under applicable law.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN OR IN THE CREDIT AGREEMENT, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT PURSUANT TO AND IN ACCORDANCE WITH THE REGISTRATION AND OTHER PROVISIONS OF SECTION 11.6 OF THE CREDIT AGREEMENT.

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.

THE SUBMISSION TO JURISDICTION PROVISIONS IN SECTION 11.12 OF THE CREDIT AGREEMENT ARE HEREBY INCORPORATED BY REFERENCE IN THEIR ENTIRETY.

QUALITY HOME BRANDS HOLDINGS LLC

By: _____

Name:
Title:

Schedule A
to Swingline Note

LOANS, CONVERSIONS AND REPAYMENTS OF BASE RATE LOANS

Date	Amount of Base Rate Loans	Amount of Principal of Base Rate Loans Repaid	Amount of Base Rate Loans Converted to Eurodollar Loans	Unpaid Principal Balance of Base Rate Loans	Notation Made By

EXHIBIT I

FORM OF CLOSING CERTIFICATE

Pursuant to subsection 6.1(f) of the Superpriority Secured Debtor-In-Possession Credit Agreement dated as of December 4, 2009 (as amended, modified, supplemented, restated, replaced, or refinanced from time to time, the "Credit Agreement"); terms defined therein being used herein as therein defined), among Quality Home Brands Holdings LLC, a Delaware limited liability company, as a debtor and debtor in possession, QHB Holdings LLC, a Delaware limited liability company, as a debtor and debtor in possession, the several banks, financial institutions and other entities from time to time parties thereto and BNP Paribas, as administrative agent and collateral agent, the undersigned [INSERT TITLE OF OFFICER] of [INSERT NAME AND JURISDICTION OF COMPANY] (the "Company") in his capacity as such and not in his individual capacity, hereby certifies on behalf of the Company as follows:

1. The representations and warranties of the Company 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 Company 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 Secretary of the Company and the signature set forth for such officer below is such officer's true and genuine signature.

[If this Closing Certificate is signed by the Borrower, the following additional representations are to be certified to:]

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.

4. The conditions precedent set forth in Section 6.1 of the Credit Agreement are satisfied as of the date hereof except as set forth on Schedule I hereto.

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

IN WITNESS WHEREOF, the undersigned has hereunto set his name as of the date set forth below.

By: _____
Name:
Title:

Date: _____, 2009

The undersigned Secretary of the Company certifies as follows:

1. Attached hereto as Annex 1 is a true and complete copy of resolutions duly adopted by the **[**Board of Directors or Managing Members**]** of the Company; 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.

2. Attached hereto as Annex 2 is a true and complete copy of the **[**By-Laws or Limited Liability Company or Operating Agreement**]** of the Company as in effect on the date hereof, and such **[**By-Laws or Limited Liability Company or Operating Agreement**]** has not been amended, repealed, modified or restated.

3. Attached hereto as Annex 3 is a true and complete copy of the **[**Certificate of Incorporation or Certificate of Formation**]** of the Company as in effect on the date hereof, and such certificate has not been amended, repealed, modified or restated.

4. Attached hereto as Annex 4 is a true and complete copy of a long form good standing certificate of the Company as in effect on the date hereof.

5. The following persons are now duly elected and qualified officers of the Company 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 Company each of the Loan Documents to which it is a party and any certificate or other document to be delivered by the Company pursuant to the Loan Documents to which it is a party:

Name	Office	Signature

IN WITNESS WHEREOF, the undersigned has hereunto set his name as of the ___ day of _____, 2009.

By: _____
Name:
Title: Secretary

Annex 1 to Closing Certificate

[Board or Member] Resolutions

See attached.

Annex 2 to Closing Certificate

[By-laws or Limited Liability Company or Operating Agreement]

See attached.

Annex 3 to Closing Certificate

[Articles][Certificate] of [Incorporation] [Formation]

See *attached*.

Annex 4 to Closing Certificate

Good Standing Certificate

EXHIBIT J

FORM WEEKLY LIQUIDITY CERTIFICATE

_____, 20__

Reference is made to that certain Superpriority Secured Debtor-In-Possession Credit Agreement, dated as of December 4. 2009 (as amended, supplemented, amended and restated or otherwise modified to the date hereof, the "Credit Agreement"; the terms defined therein and not otherwise defined herein being used herein and therein defined), by and among QHB Holdings LLC, a Delaware limited liability company, as a debtor and debtor in possession ("Holdings"), Quality Home Brands Holdings LLC, a Delaware limited liability company, as a debtor and debtor in possession (the "Borrower"), the financial institutions from time to time parties thereto as Lenders (the "Lenders"), and BNP Paribas, as Administrative Agent (in such capacity, the "Administrative Agent") for the Lenders and as Collateral Agent.

Pursuant to Section 7.2(h) of the Credit Agreement, the undersigned Chief Financial Officer of the Borrower hereby certifies that attached hereto as Annex A is a true and accurate calculation of the Liquidity as of the date first written above, determined in accordance with the requirements of the Credit Agreement. The Borrower ratifies, confirms and affirms that this Liquidity Certificate is necessary.

IN WITNESS WHEREOF, the undersigned has caused this certificate to be executed as of _____, 20__.

QUALITY HOME BRANDS HOLDINGS LLC

By: _____
Name: Daniel Macsherry
Title: Chief Financial Officer

ANNEX A
TO
LIQUIDITY CERTIFICATE

_____, 20__

I. BANK RECONCILIATION LISTING & COPIES OF BANK STATEMENTS

Entity	Bank	Account Number	Description of Account	Reconciliation Date	Bank Statement Balance ($)
1. Murray Feiss	J.P. Morgan	*****xxxx		[END OF MONTH]	$0.00
2. Sea Gull	Chase	*****xxxx		[END OF MONTH]	$0.00
3. Encompass	Citibank	*****xxxx		[END OF MONTH]	$0.00
n.					
I.A	**Total Consolidated Bank Cash on Hand**				$

II. NET FLOAT AMOUNT CALCULATION

Entity	Bank	Account Number	Description of Net Float	Reconciliation Date	Net Float Amount ($)
1. Murray Feiss	J.P. Morgan	*****xxxx	Checks issued	[END OF MONTH]	$0.00
2. Sea Gull	Chase	*****xxxx	Checks received	[END OF MONTH]	$0.00
3. Encompass	Citibank	*****xxxx		[END OF MONTH]	$0.00
n.					
II.A	**Total Consolidated Net Float**				$

III. GAAP CASH CALCULATION

Entity	Bank	Account Number		Reconciliation Date	Net Float Amount ($)
1. Murray Feiss	J.P. Morgan	*****xxxx		[END OF MONTH]	(I.1 plus II.1)
2. Sea Gull	Chase	*****xxxx		[END OF MONTH]	(I.2 plus II.2)
3. Encompass	Citibank	*****xxxx		[END OF MONTH]	(I.3 plus II.3)
n.					(I.n plus II.n)
III.A	**Total Consolidated GAAP Cash and Cash Equivalents on Hand**				$

IV. AVAILABILITY UNDER REVOLVING LINE OF CREDIT

As of [REPORT AS OF DATE]	Amount ($)
1. Revolving Credit Commitment as of [DATE]	$
2. Outstanding Letters of Credit as of [DATE]	$
3. Revolving Credit Outstanding as of [DATE]	$
4. Revolving Credit Availability (IV.1 minus IV.2 minus IV.3)	$

V. TOTAL LIQUIDITY CALCULATION[1]

As of [REPORT AS OF DATE]	Amount ($)
1. Total GAAP Cash and Cash Equivalents on Hand (III.A)	$
2. Total Revolving Credit Availability (IV.4)	$
3. Total Liquidity as of [DATE] (V.1 plus V.2)	$

VI. TOTAL LIQUIDITY TEST

As of [REPORT AS OF DATE]	Amount ($)
1. Minimum Liquidity Allowed	$8,000,000
2. Total Liquidity as of [DATE]	$
3. Lesser of VI.1 and VI.2	$
4. The Company shall have passed the Total Liquidity Test if VI.3 equal to $8,000,000.00	[PASS][NOT PASS]

[1] For purposes of calculating Total Liquidity, (i) the figure in clause (y) of the last sentence of Section 3.1 of the Credit Agreement is deemed to be $20,000,000 instead of $15,000,000 and (ii) the Interim Amount is deemed to be $20,000,000.

EXHIBIT K-1

FORM OF INTERIM ORDER

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	)	Chapter 11
QHB HOLDINGS LLC, et al.,[1]	)	Case No. 09-_____
Debtors.	)	Joint Administration Requested

INTERIM ORDER PURSUANT TO 11 U.S.C. SECTIONS 105, 361, 362 AND 363 AND RULES 2002, 4001 AND 9014 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE (1) AUTHORIZING USE OF CASH COLLATERAL BY THE DEBTORS, (2) PROVIDING FOR ADEQUATE PROTECTION, (3) MODIFYING THE AUTOMATIC STAY AND (4) SCHEDULING A FINAL HEARING ON USE OF CASH COLLATERAL AND DIP FINANCING

THIS MATTER having come before this Court upon the motion (the "**Motion**") by QHB Holdings LLC ("**Holdings**") and its affiliated debtors, each as debtors and debtors-in-possession (collectively, the "**Debtors**"), in the above captioned chapter 11 cases (collectively, the "**Cases**"), seeking, among other things, entry of an interim order (this "**Interim Order**"), *inter alia*:

(i) Pursuant to section 363 of title 11 of the United States Code (as amended, the "**Bankruptcy Code**"), authorizing the Debtors' use of "cash collateral" as such term is

[1] The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: New QHB (0247), Quality Home Brands Holdings LLC (0532), QHB Holdings LLC (0554), Generation Brands LLC (1825), Murray Feiss Import LLC (0556), Locust GP LLC (0565), LPC Management, LLC (3596), Light Process Company, L.P. (2730), Sea Gull Lighting Products LLC (8003), WoodCo LLC (1169), Tech L Enterprises Inc. (7690), Tech Lighting LLC (2152), LBL Lighting LLC (1784), and Tech L Holdings, Inc. (0613).

defined in section 363(a) of the Bankruptcy Code (the "**Cash Collateral**") in which the Pre-Petition Secured Parties (as defined below) have an interest;

(ii) Granting, pursuant to sections 361 and 363(e) of the Bankruptcy Code, to the Pre-Petition Agents (as defined below), for the benefit of the Pre-Petition Secured Parties, the Adequate Protection Replacement Liens and Adequate Protection Superpriority Claims (each as defined below), to the extent of any Diminution in Value (as defined below) of the Pre-Petition Agents' interests in the Pre-Petition Collateral (as defined below), and having the priorities set forth in this Interim Order;

(iii) Modifying the automatic stay imposed by section 362 of the Bankruptcy Code to the extent necessary to implement and effectuate the terms and provisions of this Interim Order;

(iv) Scheduling a final hearing (the "**Final Hearing**") to consider entry of the Final Order (as defined below) granting the relief requested in the Motion on a final basis, including final approval of the Debtors' use of Cash Collateral and entry into a superpriority senior secured post-petition credit facility more fully described in the Motion, and approving the form of notice with respect to the Final Hearing; and

(v) Waiving any applicable stay (including under Rule 6004 of the Federal Rules of Bankruptcy Procedure) and providing for immediate effectiveness of this Interim Order.

The Bankruptcy Court having considered the Motion, the Declaration of **[●]** in support of the Debtors' first day motions and orders, the exhibits attached thereto and the evidence submitted at the hearing on this Interim Order (the "**Interim Hearing**"); and in accordance with Rules 2002, 4001(b) and (d), and 9014 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**") and the Local Rules of Bankruptcy Practice and Procedure

of the United States Bankruptcy Court for the District of Delaware (the "**Local Rules**"), due and proper notice of the Motion and the Interim Hearing having been given; an Interim Hearing having been held and concluded on December __, 2009; and it appearing that approval of the interim relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtors pending the Final Hearing and otherwise is fair and reasonable and in the best interests of the Debtors, their creditors, their estates and their equity holders, and is essential for the continued operation of the Debtors' business; and all objections, if any, to the entry of this Interim Order having been withdrawn, resolved or overruled by this Court; and after due deliberation and consideration, and for good and sufficient cause appearing therefor:

BASED UPON THE RECORD ESTABLISHED AT THE INTERIM HEARING, THE COURT HEREBY MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:

A. **Petition Date**. On December ___**,** 2009 (the "**Petition Date**"), the Debtors filed voluntary petitions under chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the District of Delaware (the "**Court**"). The Debtors have continued in the management and operation of their business and property as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in the Cases.

B. **Jurisdiction and Venue**. This Court has jurisdiction over these proceedings, pursuant to 28 U.S.C. §§ 157(b) and 1334, and over the persons and property affected hereby. Consideration of the Motion constitutes a core proceeding under 28 U.S.C. § 157(b)(2). Venue for the Cases and proceedings on the Motion is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

C. **Committee Formation**. A statutory committee of unsecured creditors has not been appointed in the Cases.

D. **Notice**. The Interim Hearing has been held pursuant to the authorization of Bankruptcy Rule 4001 and Local Rule 4001-2. Notice of the Interim Hearing and the emergency relief requested in the Motion has been provided by the Debtors, whether by telecopy, email, overnight courier or hand delivery on December ____, 2009, to certain parties in interest, including: **[_____].** Such notice of the Interim Hearing and the relief requested in the Motion is due and sufficient notice and complies with sections 102(1) and 363(c) of the Bankruptcy Code, Bankruptcy Rules 2002, 4001(b), 4001(d) and the local rules of the Bankruptcy Court.

E. **Debtors' Acknowledgements and Agreements**. The Debtors admit, stipulate, acknowledge and agree that:

(i) **Pre-Petition Financing Agreements**. Prior to the commencement of the Cases, certain of the Debtors were party to (A) that certain First Lien Credit Agreement, dated as of June 20, 2006, (as amended, the "**Pre-Petition First Lien Facility**"), which provided for, among other things, certain revolving loans (the "**Pre-Petition Revolving Loans**") and other extension of credit, by and among Quality Home Brands Holdings LLC (the "**Borrower**"), Holdings, the lenders party thereto (the "**First Lien Lenders**"), BNP Paribas, as successor administrative agent and collateral agent (in such capacities, the "**First Lien Agent**" and, together with the First Lien Lenders, the "**Pre-Petition First Lien Secured Parties**"), and (B) that certain Second Lien Credit Agreement, dated as of June 20, 2006, (as amended, the "**Pre-Petition Second Lien Facility**," and together with the Pre-Petition First Lien Facility, the "**Pre-Petition Facilities**") by and among the Borrower, Holdings, the lenders party thereto (the "**Second Lien Lenders**" and together with the Pre-Petition First Lien Secured Parties, the "**Pre-Petition Secured Parties**"), and The Bank of New York, as successor administrative agent and collateral agent (together with the First Lien Agent, the "**Pre-Petition Agents**"), (C) that certain Intercreditor Agreement, dated as of June 20, 2006 (the "**Intercreditor Agreement**") by and among the Borrower and the Pre-Petition Agents and (D) all other agreements, documents, notes, certificates, and instruments executed and/or delivered with, to, or in favor of Pre-Petition Secured Parties, including, without limitation, security agreements, guaranties, and UCC financing statements and all other related agreements, documents, notes,

certificates, and instruments executed and/or delivered in connection therewith or related thereto (collectively, as amended, modified or supplemented and in effect, and together with the Pre-Petition First Lien Facility, the Pre-Petition Second Lien Facility and the Intercreditor Agreement, the "**Pre-Petition Financing Agreements**").

(ii) **Pre-Petition Debt Amount**. As of the Petition Date, the Debtors were indebted under the Pre-Petition Financing Agreements in the approximate principal amount of (a) approximately $231.1 million on account of outstanding term loans, plus approximately $8.2 million on account of outstanding Pre-Petition Revolving Loans, under the Pre-Petition First Lien Facility (excluding certain interest and other charges that continue to accrue) (the "**Pre-Petition First Lien Debt**"); (b) approximately $101.2 million on account of term loans outstanding under the Pre-Petition Second Lien Facility (together with the Pre-Petition First Lien Debt, the "**Pre-Petition Secured Debt**"); and (c) approximately $54.7 million (including accrued and unpaid interest) on account of amounts outstanding under the Holdco Notes.

(iii) **Pre-Petition Collateral**. To secure the Pre-Petition Secured Debt, the Debtors granted security interests and liens (the "**Pre-Petition Liens**") to the Pre-Petition Secured Parties, to the fullest extent described in the Pre-Petition Financing Agreements, upon (a) all Accounts; (b) all Chattel Paper; (c) all Deposit Accounts; (d) all Documents; (e) all Equipment (whether or not constituting Fixtures); (f) all General Intangibles; (g) all Instruments; (h) all Intellectual Property, to the extent of each Grantor's right, title or interest therein (except for "intent-to-use" applications for trademark or service mark registrations filed pursuant to Section 1(b) of the Lanham Act, 15 U.S.C. § 1051, unless and until an Amendment to Allege Use or a Statement of Use under Sections 1(c) and 1(d) of said Act has been filed); (i) all Inventory; (j) all Investment Property; (k) all Letter-of-Credit Rights; (l) all Money; (m) all Vehicles and certificates of title with respect to Vehicles; (n) all Commercial Tort Claims; (o) all Capital Stock (other than any Capital Stock in excess of 65% of the total outstanding Capital Stock of any Excluded Foreign Subsidiary), Goods, insurance and other personal property not otherwise described above; (p) all Supporting Obligations and products of any and all of the foregoing and all Guarantee Obligations, Liens and claims supporting, securing or in any respect relating to any of the foregoing; (q) all books and records (regardless of medium) pertaining to any of the foregoing; and (r) all existing mortgages and interests in real property, and (s) all Proceeds of any of the foregoing (each as defined in the Pre-Petition Financing Agreements) (collectively, the "**Pre-Petition Collateral**"), with priority over all other liens except any liens which are valid, properly perfected, unavoidable, and senior to the Pre-Petition Liens (the "**Priority Liens**").

(iv) **Pre-Petition Liens**. As of the Petition Date, the Debtors believe that (a) the Pre-Petition Liens are valid, binding, and enforceable liens, subject only to

any Priority Liens and are not subject to avoidance, recharacterization or subordination pursuant to the Bankruptcy Code or applicable non-bankruptcy law, (b) the Pre-Petition Secured Debt constitutes legal, valid and binding obligations of the Debtors, enforceable in accordance with the terms of the Pre-Petition Financing Agreements (other than in respect of the stay of enforcement arising from section 362 of the Bankruptcy Code), no offsets, defenses or counterclaims to any of the Pre-Petition Secured Debt exists, and no portion of the Pre-Petition Secured Debt is subject to avoidance, recharacterization or subordination pursuant to the Bankruptcy Code or applicable non-bankruptcy law, (c) the Pre-Petition Secured Debt constitutes allowable claims, secured to the extent of the value of any applicable collateral, and (d) they do not possess and will not assert any claim, counterclaim, setoff or defense of any kind, nature or description which would in any way affect the validity, enforceability and non-avoidability of any of the Pre-Petition Financing Agreements or the Pre-Petition Liens, or any claim of the Pre-Petition Secured Parties pursuant to the Pre-Petition Financing Agreements.

(v) **Cash Collateral.** The Pre-Petition Secured Parties have a security interest in certain of the Cash Collateral, including all amounts on deposit in the Debtors' banking, checking, or other deposit accounts and all proceeds of Pre-Petition Collateral, to secure the Pre-Petition Secured Debt and, respectively, to the same extent and order of priority as that which was held by such party pre-petition.

F. **Need for Use of Cash Collateral Pending the Final Hearing and Entry of the Final Order**. An immediate need exists for the Debtors to use Cash Collateral in order to continue operations and to administer and preserve the value of their estates. The ability of the Debtors to finance their operations, to preserve and maintain the value of their assets and maximize a return for all creditors requires their use of the Cash Collateral, authorization of which is necessary to avoid immediate and irreparable harm to the Debtors, their estates, their creditors and equity holders and the possibility of a successful reorganization or sale of the Debtors' assets as a going concern or otherwise.

G. **Prior Liens**. Nothing herein shall constitute a finding or ruling by this Court that any Pre-Petition Liens or Existing Senior Liens (as defined below) are valid, senior, perfected or unavoidable. Moreover, nothing shall prejudice (A) the rights of any party in interest including, but not limited to, the Debtors and any committee appointed pursuant to section 1102 of the

Bankruptcy Code to challenge the validity, priority, perfection and extent of any Existing Senior Liens or the value of the Pre-Petition Collateral, or (B) the rights of any committee appointed pursuant to section 1102 of the Bankruptcy Code or such other party with standing to do so to challenge the validity, priority, perfection and extent of the Pre-Petition Liens as set forth in this Interim Order.

H. **Use of Cash Collateral**. The Cash Collateral shall be used, in each case in a manner consistent with the terms and conditions of this Interim Order, and in accordance with the Approved Budget (as defined below), solely (a) to fund the Cases, and (b) for working capital and other corporate purposes of the Borrower.

I. **Adequate Protection for Pre-Petition Secured Parties**. As a result of the subordination to the Carve Out (as defined below), and the use of Cash Collateral authorized herein, the Pre-Petition Secured Parties are entitled to receive adequate protection pursuant to sections 361, 362 and 363 of the Bankruptcy Code for any diminution in the value ("**Diminution in Value**") of their respective interests in the Pre-Petition Collateral (including Cash Collateral) resulting therefrom and from the imposition of the automatic stay or the Debtors' use, sale or lease of the Pre-Petition Collateral (including Cash Collateral) during the Cases. As adequate protection, the Pre-Petition Agents (for the benefit of the Pre-Petition Secured Parties) will receive, as the case may be: (1) the Adequate Protection Replacement Liens, (2) the Adequate Protection Superpriority Claims, and (3) the Adequate Protection Payments (as defined below).

J. **Business Judgment and Good Faith** . The terms and conditions for the use of the Cash Collateral are fair and reasonable, reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties, and are supported by reasonably equivalent value

and consideration; the use of the Pre-Petition Secured Parties' Cash Collateral was negotiated in good faith and at arms' length between the Debtors and the First Lien Agent on behalf of the Pre-Petition First Lien Secured Parties; and use of the Cash Collateral will be in good faith, and for valid business purposes and uses.

K. **Relief Essential; Best Interest**. The relief requested in the Motion (and as provided in this Interim Order) is necessary, essential, and appropriate for the continued operation of the Debtors' business and the management and preservation of the Debtors' assets and personal property. It is in the best interest of Debtors' estates that the Debtors be allowed to use the Cash Collateral.

L. **Entry of Interim Order**. For the reasons stated above, the Debtors have requested immediate entry of this Interim Order pursuant to Bankruptcy Rule 4001(b)(2).

NOW, THEREFORE, on the Motion of the Debtors and the record before this Court with respect to the Motion, and with the consent of the Debtors and the First Lien Agent on behalf of the Pre-Petition First Lien Secured Parties to the form and entry of this Interim Order, and good and sufficient cause appearing therefor,

IT IS ORDERED that:

1. **Motion Granted**. The Motion is granted, and the use of Cash Collateral is authorized on an interim basis, in accordance with the terms and conditions set forth in this Interim Order.

2. **Authorization to Use Cash Collateral.** Pursuant to the terms and conditions of this Interim Order (and subject to the Debtors' rights under paragraph 9 hereof) and in accordance with the budget attached as Exhibit A hereto (as the same may be modified, supplemented, or updated from time to time with the approval of the First Lien Agent and the

Debtors, the "**Approved Budget**"), each Debtor is authorized to use Cash Collateral during the period commencing immediately after the entry of this Interim Order and terminating on the earliest of (i) the thirtieth (30th) day after the Petition Date, (ii) the date the Final Order shall be entered or (iii) the third business day after the First Lien Agent delivers to the Borrower written notice of the occurrence of an Event of Default (as defined below); provided, however, that during such period the Debtors shall comply with the provisions of Sections 7.1(c), 7.2(e), 7.2(i), 7.2(j), 7.2(k), 7.2(m), 7.3, 7.4, 7.5, 7.6, 7.7, 7.8 and 7.12, and Sections 8.1(b), 8.1(c) (provided, that for purposes of such compliance under this Interim Order, the amount set forth in Section 8.1(c) shall be changed to $5,000,000), and 8.2 through 8.17 of the DIP Credit Agreement (as defined in the Motion) as if such agreement were in full force and effect, subject and without prejudice in all cases to the Debtors' right to seek a further order of the Court authorizing continued use of Cash Collateral on these or different terms and the right of the Pre-Petition Secured Parties to object to any such request on any basis. Nothing in this Interim Order shall authorize the disposition of any assets of the Debtors or their estates outside the ordinary course of business or other proceeds resulting therefrom, except in accordance with this Interim Order and the Approved Budget.

3. **Adequate Protection for Pre-Petition Secured Parties**. As adequate protection for any Diminution in Value of the interests of the Pre-Petition Secured Parties in the Pre-Petition Collateral (including Cash Collateral) the Pre-Petition Agents for the benefit of the Pre-Petition Secured Parties shall receive, as the case may be, adequate protection as follows:

(a) **Adequate Protection Replacement Liens.** Solely to the extent of the Diminution in Value of the interests of the Pre-Petition Secured Parties in the Pre-Petition Collateral, subject to the terms and conditions set forth below, pursuant to sections 361 and

363(e) of the Bankruptcy Code, effective and perfected upon the date of this Interim Order and without the necessity of the execution, recordation or filing by the Debtors of security agreements, control agreements, pledge agreements, mortgages, financing statements or other similar documents, additional and replacement security interests in and liens on (all such liens and security interests granted to the Pre-Petition Agents for the benefit of the respective Pre-Petition Secured Parties pursuant to this Interim Order, the "**Adequate Protection Replacement Liens**") all pre-petition and post-petition assets and property of the Debtors, whether existing on the Petition Date or thereafter acquired, including, without limitation, accounts, deposit accounts, cash, chattel paper, investment property, letter-of-credit rights, securities accounts, commercial tort claims, investments, instruments, documents, inventory, contract rights, general intangibles, intellectual property, real property, fixtures, goods, equipment and other fixed assets and proceeds and products of all of the foregoing (including insurance proceeds) (all such property being collectively referred to as the "**Replacement Collateral**"); provided, however, that in no event shall the Replacement Collateral include any pledge in excess of 65% of the total outstanding Capital Stock of any Excluded Foreign Subsidiary (each as defined in the Pre-Petition Financing Agreements) (if adverse tax consequences could result to the Debtors), or any avoidance actions under Chapter 5 of the Bankruptcy Code (including, for the avoidance of doubt, under any similar state law by use of the strong arm powers of section 544 of the Bankruptcy Code) or the proceeds thereof. The Adequate Protection Replacement Liens shall be junior only to any valid and perfected liens on the Replacement Collateral in existence on the Petition Date that were permitted by the Pre-Petition First Lien Facility and are senior thereto under applicable law, or to valid liens in existence on the Petition Date or perfected thereafter as permitted by section 546(b) of the Bankruptcy Code, if any (in each case, other than liens

securing the Pre-Petition Facilities) (the "**Existing Senior Liens**") and to the Carve Out. The Adequate Protection Replacement Liens of the First Lien Agent for the benefit of the Pre-Petition First Lien Secured Parties shall be senior and prior to the Adequate Protection Replacement Liens in respect of the Pre-Petition Secured Parties under the Pre-Petition Second Lien Facility. Except as otherwise permitted by this Interim Order, the Adequate Protection Replacement Liens shall not be 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 including, without limitation, any liens or security interests granted in favor of any federal, state, municipal or other governmental unit, commission, board or court for any liability of any Debtor.

(b) **Adequate Protection Superpriority Claims**. Solely to the extent of the Diminution in Value of the interests of the Pre-Petition Secured Parties in the Pre-Petition Collateral, the Pre-Petition Secured Parties shall have an allowed superpriority administrative expense claim (the "**Adequate Protection Superpriority Claims**") which shall have priority, except with respect to (i) any Court-approved priming debtor-in-possession credit facility (without prejudice to the right of the Pre-Petition Secured Parties to object thereto on any basis), (ii) Existing Senior Liens, and (iii) the Carve Out, in all of the Cases under sections 503(b) and 507(b) of the Bankruptcy Code and otherwise over all administrative expense claims and unsecured claims against the Debtors and their estates, now existing or hereafter arising, of any kind or nature whatsoever including, without limitation, administrative expenses of the kinds specified in or ordered pursuant to sections 105, 326, 328, 330, 331, 503(a), 503(b), 507(a), 507(b), 546(c), 546(d), 726, 1113, and 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. Payment of the Adequate Protection Superpriority Claims granted to the First Lien Agent for the benefit of the Pre-Petition First Lien Secured Parties shall have priority over the Adequate Protection Superpriority Claims granted in respect of the Pre-Petition Second Lien Facility. Other than the Carve Out, and as otherwise permitted by this Interim Order, no costs or expenses of administration, including, without limitation, professional fees allowed and payable under Bankruptcy Code sections 328, 330, and 331, or otherwise, that have been or may be incurred in these proceedings, or upon the conversion of any of the Cases to a case under Chapter 7 of the Bankruptcy Code, or in any Successor Cases (as defined below), and no priority claims are, or will be, senior to, prior to or on a parity with the Adequate Protection Superpriority Claims. The Adequate Protection Superpriority Claims granted to the Pre-Petition Secured Parties may be impaired pursuant to any Chapter 11 plan or plans (any "**Plan**") confirmed in the Cases with the vote of sufficient holders of such claims that satisfies the requirements of section 1126 of the Bankruptcy Code.

(c) **Adequate Protection Payments**. The Pre-Petition First Lien Secured Parties shall also receive during the term of this Interim Order adequate protection in the form of interest payments under the Pre-Petition First Lien Facility at the non-default rate (including any LIBOR pricing option) and on the non-default interest payment dates specified in the Pre-Petition First Lien Facility and other applicable payments under section 11.5(a) of the Pre-Petition First Lien Facility on the dates specified in the Pre-Petition First Lien Facility (the "**Adequate Protection Payments**").

(d) **Adequate Protection Upon Sale of Collateral**. Upon the sale of any Pre-Petition Collateral pursuant to section 363 of the Bankruptcy Code, any such Pre-Petition Collateral shall be sold free and clear of the Pre-Petition Liens and the Adequate

Protection Replacement Liens, provided however, that such Pre-Petition Liens shall attach to the proceeds of any such sale in the order, manner, and priority as set forth in this Interim Order.

4. **Section 507(b) Reservation**. Nothing herein shall impair or modify the Pre-Petition Secured Parties' rights under section 507(b) of the Bankruptcy Code in the event that the adequate protection provided to the Pre-Petition Secured Parties hereunder is insufficient to compensate for the Diminution in Value of the interests of the Pre-Petition Secured Parties in the Pre-Petition Collateral during the Cases or any Successor Case, provided, however, that any section 507(b) claim granted in the Cases to the Pre-Petition Secured Parties shall be subject to the Carve Out.

5. **Post-Petition Lien Perfection**. This Interim Order shall be sufficient and conclusive evidence of the validity, perfection, and priority of the Adequate Protection Replacement Liens without the necessity of filing or recording any financing statement, deed of trust, mortgage, or other instrument or document which may otherwise be required under the law of any jurisdiction or the taking of any other action (including, for the avoidance of doubt, entering into any deposit account control agreement or securities account control agreement) to validate or perfect the Adequate Protection Replacement Liens or to entitle the Adequate Protection Replacement Liens to the priorities granted herein. Notwithstanding the foregoing, the First Lien Agent may, in its sole discretion, file such financing statements, mortgages, security agreements, notices of liens and other similar documents, and are hereby granted relief from the automatic stay of section 362 of the Bankruptcy Code in order to do so, and all such financing statements, mortgages, security agreements, notices and other agreements or documents shall be deemed to have been filed or recorded at the time and on the date of the commencement of the Cases. The Debtors shall execute and deliver to the First Lien Agent all

such financing statements, mortgages, notices and other documents as the First Lien Agent may reasonably request to evidence, confirm, validate or perfect, or to insure the contemplated priority of, the Adequate Protection Replacement Liens granted pursuant hereto. The First Lien Agent, in its discretion, may file a photocopy of this Interim Order as a financing statement with any recording officer designated to file financing statements or with any registry of deeds or similar office in any jurisdiction in which any Debtor has real or personal property, and in such event, the subject filing or recording officer shall be authorized to file or record such copy of this Interim Order.

6. **Payment of Compensation**. Nothing herein shall be construed as consent to the allowance of any professional fees or expenses of any of the Debtors, of any official committee or of any person or shall affect the right of the First Lien Agent to object to the allowance and payment of such fees and expenses or to permit the Debtors to pay any such amounts not set forth in the Approved Budget.

7. **Carve Out**. The Debtors are authorized to use Cash Collateral to pay amounts included in the Carve Out. "Carve Out" means, on and after delivery of written notice by the First Lien Agent to the Borrower that an Event of Default has occurred and is continuing and the First Lien Agent desires to trigger the Carve Out (a "**Carve Out Trigger Notice**"), the payment of (x) allowed and unpaid professional fees and disbursements incurred by the Debtors, on or after the date of delivery of the Carve Out Trigger Notice in an aggregate amount not in excess of $500,000, plus the amount of unpaid professional fees and expenses incurred by the Debtors prior to the date of delivery of the Carve Out Trigger Notice and (y) any fees pursuant to 28 U.S.C. § 1930; provided that, without prejudice to any of the rights of the Debtors after the expiry of this Interim Order, no portion of the Carve Out shall be utilized for the payment of

professional fees and disbursements incurred in connection with any challenge to the amount, extent, priority, validity, perfection or enforcement of the indebtedness of the Debtors owing to the Pre-Petition First Lien Secured Parties or indemnified parties under the Pre-Petition First Lien Facility or to the collateral securing the Pre-Petition First Lien Facility. The Debtors shall be permitted to use Cash Collateral to pay compensation and reimbursement of expenses allowed and payable under 11 U.S.C. § 330 and 11 U.S.C. § 331, as the same may be due and payable, and so long as no Event of Default shall have occurred and be continuing the same shall not reduce the Carve Out. The foregoing shall not be construed as a consent to the allowance of any fees and expenses referred to above and shall not affect the right of the First Lien Agent to object to the allowance and payment of such amounts.

8. **Events of Default**. The occurrence of any of the following events, shall constitute an event of default (each, an "**Event of Default**"):

(a) any of the Cases shall be dismissed or converted to a case under Chapter 7 of the Bankruptcy Code or any Debtor shall file a motion or other pleading seeking the dismissal of any of the Cases under section 1112 of the Bankruptcy Code or otherwise; or a trustee under Chapter 7 or Chapter 11 of the Bankruptcy Code, a responsible officer, or an examiner with enlarged powers relating to the operation of the business (powers beyond those set forth in sections 1106(a)(3) and (4) of the Bankruptcy Code) under section 1106(b) of the Bankruptcy Code, shall be appointed in any of the Cases, unless consented to by the First Lien Agent; or

(b) Holdings' board of directors shall authorize a liquidation of the Borrower's business; or

(c) the Debtors shall fail to comply with any material terms of this Interim Order; or

(d) The Debtors shall fail to observe or perform the covenants set forth in Sections 7.1(c), 7.2(e), 7.2(i), 7.2(j), 7.2(k), 7.2(k), 7.2(m), 7.3, 7.4, 7.5, 7.6, 7.7, 7.8, and 7.12 and Sections 8.1(b), 8.1(c) (provided, that for purposes of such compliance under this Interim Order, the amount set forth in Section 8.1(c) shall be changed to $5,000,000), and 8.2 through 8.17 of the DIP Credit Agreement; or

(e) the entry of an order in the Cases (other than the entry of the Final Order with the consent of the First Lien Agent), which order constitutes a stay, modification, appeal or reversal of this Interim Order or which otherwise affects the effectiveness of this Interim Order, provided that no Event of Default shall occur under this clause (e) to the extent that any such modification is not adverse, in the reasonable judgment of the First Lien Agent, to the rights and interests of the Pre-Petition First Lien Secured Parties under this Interim Order; or

(f) the Bankruptcy Court shall enter an order or orders in the Cases granting relief from the automatic stay applicable under section 362 of the Bankruptcy Code to the holder or holders of any security interest (other than the security interests of the First Lien Agent or the Pre-Petition First Lien Secured Parties to the extent granted in this Interim Order) in any assets of any Debtor allowing such holder or holders to foreclose or otherwise realize upon any such security interests which assets have an aggregate value in excess of $500,000; or

(g) this Interim Order shall cease to be in full force and effect and a final order in substantially the form attached to the Motion as Exhibit B (the "**Final Order**") shall not have been entered or deemed to have been entered prior to such cessation, or the entry of the Final Order shall not have occurred within 30 days after the Petition Date; or

(h) any Debtor shall make any payment (including "adequate protection" payments) on or in respect of any pre-Petition Date indebtedness or obligations other than (i) the Pre-Petition First Lien Secured Debt, (ii) as permitted under this Interim Order or the other first day orders in the Cases, (iii) sales taxes and employee withholding taxes which have been collected by such Debtor but not yet paid and (iv) as required under Section 365(b) of the Bankruptcy Code in connection with the assumption of leases and contracts; or

(i) this Court shall abstain from hearing any Case, or any Debtor shall so move or shall support any motion brought by any third party seeking such relief; or

(j) unless the First Lien Agent otherwise expressly agrees in writing, the filing of any motion to obtain credit from any party other than the First Lien Agent or the First Lien Lenders.

9. **Effect of Event of Default**.

(a) Immediately following the third business day after the giving of written notice by the First Lien Agent of the occurrence of any Event of Default, the Debtors shall have no right to use any Cash Collateral (other than towards the Carve Out) under this Interim Order. Following the giving of written notice by the First Lien Agent of the occurrence of an Event of Default, the Debtors shall be entitled to an emergency hearing before this Court. The Debtors and the First Lien Agent shall reasonably cooperate to conduct such an emergency hearing within the three (3) business days following the occurrence of an Event of Default, or such other period as the Court will permit.

(b) The automatic stay imposed under Bankruptcy Code section 362(a) is hereby modified pursuant to the terms of this Interim Order as necessary to (1) permit the Debtors to grant the Adequate Protection Replacement Liens and to incur all liabilities and

obligations to the Pre-Petition Secured Parties under this Interim Order, and (2) authorize the Pre-Petition First Lien Secured Parties to retain and apply payments hereunder.

(c) Nothing included herein shall prejudice, impair, or otherwise affect the Debtors' or the Pre-Petition Secured Parties' rights to seek any other or supplemental relief in the Cases.

10. **Survival of Protections**. The protections afforded to the Pre-Petition Secured Parties pursuant to this Interim Order, and any actions taken pursuant thereto, shall survive the entry of any order confirming a Plan or converting these Cases into a Successor Case, and the Adequate Protection Replacement Liens and the Adequate Protection Superpriority Claims shall continue in these proceedings and in any Successor Case until paid and satisfied in full, and such Adequate Protection Replacement Liens and Adequate Protection Superpriority Claims shall maintain their respective priorities as provided by this Interim Order.

11. **Debtor-in-Possession Financing**. Notwithstanding anything contained elsewhere in this Interim Order to the contrary, the Debtors shall in no way be prejudiced from proposing debtor-in-possession loans and other post-petition financial accommodations pursuant to sections 363 and 364 of the Bankruptcy Code on the terms set forth in the Final Order (or otherwise).

12. **Proofs of Claim**. The Pre-Petition Secured Parties will not be required to file proofs of claim in the Cases or in any Successor Case.

13. **Right of Access and Information.** The Debtors shall permit representatives, agents, and/or employees of the Pre-Petition Agents to have reasonable access to their premises and their records during normal business hours (without unreasonable interference

to the proper operation of the Debtors' businesses) and shall cooperate, consult with, and provide to such persons all such non-privileged information as they may reasonably request.

14. **Other Rights and Obligations**.

(a) **Expenses**. Under no circumstances shall professionals for the First Lien Agent be required to comply with the U.S. Trustee fee guidelines, but shall provide reasonably detailed statements (redacted if necessary for privileged, confidential, or otherwise sensitive information) to the Office of the U.S. Trustee and the Debtors.

(b) **Binding Effect**. The provisions of this Interim Order shall be binding upon and inure to the benefit of the Pre-Petition Secured Parties, the Pre-Petition Agents, the Debtors, and their respective successors and assigns (including any trustee or other fiduciary hereinafter appointed as a legal representative of the Debtors or with respect to the property of the estates of the Debtors) whether in the Cases, upon the conversion of any of the Cases to a case under Chapter 7 of the Bankruptcy Code or in any other proceedings related to any of the foregoing (any "**Successor Cases**"), in any such Successor Case, or upon dismissal of any such Case or Successor Case.

(c) **No Waiver**. The failure of the Pre-Petition Secured Parties to seek relief or otherwise exercise their rights and remedies under this Interim Order or otherwise, as applicable, shall not constitute a waiver of any of the Pre-Petition Secured Parties' rights hereunder or otherwise. Notwithstanding anything herein, the entry of this Interim Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly, or otherwise impair the Pre-Petition Secured Parties under the Bankruptcy Code or under non-bankruptcy law, including without limitation, the rights of the Pre-Petition Secured Parties to (i) request conversion of the Cases to cases under Chapter 7, dismissal of the Cases, or the appointment of a

trustee in the Cases, or (ii) propose, subject to the provisions of section 1121 of the Bankruptcy Code, a Plan or (iii) exercise any of the rights, claims or privileges (whether legal, equitable or otherwise) the Pre-Petition Secured Parties, or of the Debtors to contest such relief on any basis.

(d) **Good Faith**. The Pre-Petition Agents and each of the other Pre-Petition Secured Parties have acted in good faith (including, without limitation, for the purposes of section 363(m) of the Bankruptcy Code) in connection with this Interim Order and their reliance on this Interim Order is in good faith.

(e) **No Third Party Rights**. Except as explicitly provided for herein, this Interim Order does not create any rights for the benefit of any third party, creditor, equity holder or any direct, indirect, or incidental beneficiary.

(f) **Survival of Interim Order**. The provisions of this Interim Order and any actions taken pursuant hereto shall survive entry of any order which may be entered (i) confirming any Plan in the Cases, (ii) converting any of the Cases to a case under Chapter 7 of the Bankruptcy Code, or (iii) to the extent authorized by any applicable law, dismissing any of the Cases, (iv) withdrawing of the reference of any of the Cases from this Court, or (v) providing for abstention from handling or retaining of jurisdiction of any of the Cases in this Court. The terms and provisions of this Interim Order including the protections granted to the Pre-Petition Agents and the Pre-Petition Secured Parties, shall continue in full force and effect notwithstanding the entry of such order, and such protections for the Pre-Petition Agents and the Pre-Petition Secured Parties shall maintain their priorities as provided by this Interim Order until all the Adequate Protection Superpriority Claims have been indefeasibly paid in full and discharged.

(g) **Enforceability**. This Interim Order shall constitute findings of fact and conclusions of law pursuant to the Bankruptcy Rule 7052 and shall take effect and be fully enforceable *nunc pro tunc* to the Petition Date immediately upon execution hereof.

(h) **Objections Overruled**. All objections to this Interim Order to the extent not withdrawn or resolved, are hereby overruled.

(i) **Waiver of any Applicable Stay**. Any applicable stay (including, without limitation, under Bankruptcy Rule 6004(h)) is hereby waived and shall not apply to this Interim Order.

15. **Final Hearing**.

(a) The Final Hearing to consider entry of the Final Order is scheduled for _____, 2009 at the United States Bankruptcy Court for the District of Delaware. If no objections to the relief sought in the Final Hearing are filed and served in accordance with this Interim Order, no Final Hearing may be held, and a separate Final Order may be presented by the Debtors and entered by this Court.

(b) On or before _____, 2009, the Debtors shall serve, by United States mail, first-class postage prepaid, notice of the entry of this Interim Order and of the Final Hearing (the "**Final Hearing Notice**"), together with copies of this Interim Order, the proposed Final Order and the Motion, on: (a) the parties having been given notice of the Interim Hearing; (b) any party which has filed prior to such date a request for notices with this Court; (c) counsel for any official committee(s), if any; (d) the Office of the United States Trustee, (e) the Internal Revenue Service, (f) counsel to the Pre-Petition Agents, (g) the Pre-Petition Agents, (h) counsel to the proposed DIP Agent (as defined in the Motion), and (i) the Securities and Exchange Commission. The Final Hearing Notice shall state that any party in interest objecting

to the entry of the proposed Final Order shall file written objections with the Clerk of the Bankruptcy Court no later than _____, 2009 which objections shall be served so that the same are received on or before such date by: (a) counsel for Debtors, White & Case LLP, Wachovia Financial Center, 200 South Biscayne Boulevard, 49th Floor, Miami, Florida, 33131, Attn: Thomas E. Lauria, Esq., Fernando J. Menendez, Jr., Esq., and Kevin M. McGill, Esq., Fax: (305) 358-5744; (b) counsel for First Lien Agent, Skadden Arps Slate Meagher & Flom, LLP 155 N. Wacker Drive, Chicago, IL 60606-1720, Attn.: Chris L. Dickerson, Esq., Fax: (312) 407-8680 and David Kitchen, Esq., Fax: 213.621.5280; (c) counsel for any official committee(s), if any; and (d) the U.S. Trustee; and shall be filed with the Clerk of the United States Bankruptcy Court for the District of Delaware, in each case to allow actual receipt of the foregoing no later than [_____ __, 2009,] at 4:00 p.m. prevailing Eastern time.

(c) **Retention of Jurisdiction**. The Bankruptcy Court has and will retain jurisdiction to enforce this Interim Order according to its terms.

SO ORDERED by the Bankruptcy Court this _____ day of December, 2009.

_____
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT A

[APPROVED BUDGET]

EXHIBIT K-1

FORM OF FINAL ORDER

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	)	Chapter 11
QHB HOLDINGS LLC, et al.,[1]	)	Case No. 09-_____
Debtors.	)	Jointly Administered

FINAL ORDER PURSUANT TO 11 U.S.C. SECTIONS 105, 361, 362, 363 AND 364 AND RULES 2002, 4001 AND 9014 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE (1) AUTHORIZING INCURRENCE BY THE DEBTORS OF POST-PETITION SECURED INDEBTEDNESS WITH PRIORITY OVER ALL SECURED INDEBTEDNESS AND WITH ADMINISTRATIVE SUPERPRIORITY, (2) GRANTING LIENS, (3) AUTHORIZING USE OF CASH COLLATERAL BY THE DEBTORS PURSUANT TO 11 U.S.C. SECTION 363, (4) PROVIDING FOR ADEQUATE PROTECTION AND (5) MODIFYING THE AUTOMATIC STAY

THIS MATTER having come before this Court upon the motion (the "**DIP Motion**") by QHB Holdings LLC and its affiliated debtors, each as debtors and debtors-in-possession (collectively, the "**Debtors**"), in the above captioned chapter 11 cases (collectively, the "**Cases**"), seeking, among other things, entry of a final order (this "**Final Order**") authorizing the Debtors to:

(i) Obtain credit and incur debt, pursuant to sections 363, 364(c) and 364(d) of the Bankruptcy Code, on a final basis, up to the aggregate committed amount of $20,000,000 (of which up to $5,000,000 will be available for letters of credit) secured by first priority, valid, priming, perfected and enforceable liens (as defined in section 101(37) of title 11 of the United

[1] The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: New QHB (0247), Quality Home Brands Holdings LLC (0532), QHB Holdings LLC (0554), Generation Brands LLC (1825), Murray Feiss Import LLC (0556), Locust GP LLC (0565), LPC Management, LLC (3596), Light Process Company, L.P. (2730), Sea Gull Lighting Products LLC (8003), WoodCo LLC (1169), Tech L Enterprises Inc. (7690), Tech Lighting LLC (2152), LBL Lighting LLC (1784), and Tech L Holdings, Inc. (0613).

States Code, as amended (the "**Bankruptcy Code**")), subject to the Carve Out and Existing Senior Liens (as each of those terms is defined herein), on property of the Debtors' estates pursuant to sections 364(c)(2), 364(c)(3) and 364(d) of the Bankruptcy Code, and with priority as to administrative expenses, as provided in section 364(c)(1) of the Bankruptcy Code, subject to the terms and conditions contained herein;

(ii) (a) Establish a secured superpriority post-petition financing arrangement (the "**DIP Facility**") pursuant to (I) that certain Debtor-In-Possession Credit Agreement (as amended, modified, or supplemented in accordance with the terms of this Final Order, the "**DIP Credit Agreement**")[1], substantially in the form filed of record in the Cases, by and among, Quality Home Brands Holdings LLC, a Delaware limited liability company (d.b.a. Generation Brands) (the "**Borrower**"), QHB Holdings LLC, a Delaware limited liability company ("**Holdings**"), those Subsidiaries of the Borrower parties to the DIP Credit Agreement as guarantors (the "**Guarantors**"), BNP Paribas, (the "**DIP Agent**"), and the Lenders party thereto (the "**DIP Lenders**," collectively with the DIP Agent, the "**DIP Secured Parties**"), and (II) all other agreements, documents, notes, certificates, and instruments executed and/or delivered with, to, or in favor of the DIP Secured Parties, including, without limitation, security agreements, pledge agreements, engagement agreements, fee letters, notes, guaranties, mortgages, and Uniform Commercial Code ("**UCC**") financing statements and all other related agreements, documents, notes, certificates, and instruments executed and/or delivered in connection therewith or related thereto (collectively, as may be amended, modified or supplemented and in effect from time to time, and together with the DIP Credit Agreement, the "**DIP Financing Agreements**");

1 Capitalized terms used in this Final Order but not defined herein shall have the meanings ascribed to such terms in the DIP Credit Agreement, a copy of which is attached hereto as Exhibit A.

and (b) incur the **"Obligations"** under and as defined in the DIP Credit Agreement (collectively, the "**DIP Obligations**");

(iii) Authorize the use of the proceeds of the DIP Facility in each case in a manner consistent with the terms and conditions of the DIP Financing Agreements, and in accordance with the Approved Budget (as defined below), upon entry of this Final Order solely (a) to permanently reduce and repay the Pre-Petition Revolving Loans (as defined below) then outstanding under the Pre-Petition First Lien Facility, (b) to fund the Cases, (c) to pay fees and expenses associated with the DIP Facility, and (d) for working capital and other corporate purposes of the Borrower.

(iv) Grant, pursuant to sections 364(c)(2), 364(c)(3) and 364(d) of the Bankruptcy Code, to the DIP Agent (for the benefit of the DIP Secured Parties) first priority priming, valid, perfected and enforceable liens, subject only to the Carve Out and the Existing Senior Liens, upon substantially all of the Debtors' real and personal property as provided in and as contemplated by this Final Order, the DIP Facility and the DIP Financing Agreements;

(v) Grant, pursuant to section 364(c)(1) of the Bankruptcy Code, to the DIP Agent (for the benefit of the DIP Secured Parties) superpriority administrative claim status in respect of all DIP Obligations, subject to the Carve Out as provided herein;

(vi) Authorize the use of "cash collateral" as such term is defined in section 363 of the Bankruptcy Code (the "**Cash Collateral**"), in which the Pre-Petition Secured Parties (as defined below) have an interest;

(vii) Grant to the Pre-Petition Agents (for the benefit of the Pre-Petition Secured Parties) (as defined below) the Adequate Protection Replacement Liens and the Adequate Protection Superpriority Claims (each as defined below) to the extent of any

Diminution in Value (as defined below) and having the priorities set forth in this Final Order, as adequate protection for the granting of the DIP Liens (as defined below) to the DIP Agent, the use of Cash Collateral, and for the imposition of the automatic stay;

(viii) Modify the automatic stay imposed by section 362 of the Bankruptcy Code to the extent necessary to implement and effectuate the terms and provisions of the DIP Financing Agreements and this Final Order; and

(ix) Waive any applicable stay (including under Rule 6004 of the Federal Rules of Bankruptcy Procedure) and provide for immediate effectiveness of this Final Order.

The Bankruptcy Court having considered the DIP Motion, the Declaration of **[●]** in support of the Debtors' first day motions and orders, the exhibits attached thereto, the DIP Facility and the DIP Credit Agreement, and the evidence submitted at the interim hearing on the DIP Motion held on **[December ___]**, 2009 (the "**Interim Hearing**") and at the hearing on this Final Order held on **[_____]**, 2009 (the "**Final Hearing**"); and the Bankruptcy Court having entered an interim order on **[December ___]**, 2009 authorizing the Debtors' use of Cash Collateral and granting adequate protection to the Pre-Petition Secured Parties (the "**Interim Order**"); and in accordance with Rules 2002, 4001(b), (c), and (d), and 9014 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**") and the local rules of the Bankruptcy Court (the "**Local Rules**"), due and proper notice of the DIP Motion and the Final Hearing having been given; a Final Hearing having been held and concluded on **[_____]**, 2009; and it appearing that approval of the relief requested in the DIP Motion is necessary to avoid immediate and irreparable harm to the Debtors and otherwise is fair and reasonable and in the best interests of the Debtors, their creditors, their estates and their equity holders, and is essential for the continued operation of the Debtors' business; and it further appearing that the

Debtors are unable to obtain (i) unsecured credit for money borrowed allowable as an administrative expense under Bankruptcy Code section 503(b)(1), (ii) credit for money borrowed with priority over any or all administrative expenses of the kind specified in Bankruptcy Code sections 503(b) or 507(b), (iii) credit for money borrowed secured solely by a Lien on property of the estate that is not otherwise subject to a Lien, or (iv) credit for money borrowed secured by a junior Lien on property of the estate which is subject to a Lien; and there being adequate protection of the interests of holders of Liens on the property of the estates on which Liens are to be granted; and all objections, if any, to the entry of this Final Order having been withdrawn, resolved or overruled by this Court; and after due deliberation and consideration, and for good and sufficient cause appearing therefor:

BASED UPON THE RECORD ESTABLISHED AT THE INTERIM HEARING AND THE FINAL HEARING, THE COURT HEREBY MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:

A. **Petition Date.** On December **[___]**, 2009 (the "**Petition Date**"), the Debtors filed voluntary petitions under chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the District of Delaware (the "**Court**"). The Debtors have continued in the management and operation of their business and property as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in the Cases.

B. **Jurisdiction and Venue.** This Court has jurisdiction over these proceedings, pursuant to 28 U.S.C. §§ 157(b) and 1334, and over the persons and property affected hereby. Consideration of the DIP Motion constitutes a core proceeding under 28 U.S.C. § 157(b)(2). Venue for the Cases and proceedings on the DIP Motion is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

C. **Interim Order.** Based upon the DIP Motion, the affidavit of **[_____]** and the evidence submitted by the Debtors at the Interim Hearing, the Bankruptcy Court approved the Debtors' use of Cash Collateral and granting of adequate protection pending the Final Hearing on the DIP Motion. Pursuant to the Interim Order, the Final Hearing was conducted on **[_____]**, 2009.

D. **Notice.** The Final Hearing has been held pursuant to the authorization of Bankruptcy Rule 4001 and Local Rule 4001-2. Notice of the Final Hearing and the relief requested in the DIP Motion has been provided by the Debtors, whether by telecopy, email, overnight courier or hand delivery on **[_____]**, 2009, to certain parties in interest, including: **[_____].** Such notice of the Final Hearing and the relief requested in the DIP Motion is due and sufficient notice and complies with sections 102(1), 363(c), 364(c) and 364(d) of the Bankruptcy Code, Bankruptcy Rules 2002, 4001(c), 4001(d) and the local rules of the Bankruptcy Court.

E. **Debtors' Acknowledgements and Agreements.** The Debtors admit, stipulate, acknowledge and agree that:

(i) **Pre-Petition Financing Agreements**. Prior to the commencement of the Cases, certain of the Debtors were party to (A) that certain First Lien Credit Agreement, dated as of June 20, 2006, (as amended, the "**Pre-Petition First Lien Facility**"), which provided for, among other things, certain revolving loans (the "**Pre-Petition Revolving Loans**") and other extension of credit, by and among the Borrower, Holdings, the lenders party thereto (the "**First Lien Lenders**"), BNP Paribas, as successor administrative agent and collateral agent (in such capacities, the "**First Lien Agent,**" and together with the First Lien Lenders, the "**Pre-Petition First Lien Secured Parties**"), and (B) that certain Second Lien Credit Agreement, dated as of June 20, 2006, (as amended, the "**Pre-Petition Second Lien Facility**," and together with the Pre-Petition First Lien Facility, the "**Pre-Petition Facilities**") by and among the Borrower, Holdings, the lenders party thereto (the "**Second Lien Lenders**" and together with the Pre-Petition First Lien Secured Parties, the "**Pre-Petition Secured Parties**"), and The Bank of New York, as successor administrative agent and collateral agent (together with the First Lien Agent, the "**Pre-Petition Agents**"), (C) that certain Intercreditor

Agreement, dated as of June 20, 2006 (the "**Intercreditor Agreement**") by and among the Borrower and the Pre-Petition Agents and (D) all other agreements, documents, notes, certificates, and instruments executed and/or delivered with, to, or in favor of Pre-Petition Secured Parties, including, without limitation, security agreements, guaranties, and UCC financing statements and all other related agreements, documents, notes, certificates, and instruments executed and/or delivered in connection therewith or related thereto (collectively, as amended, modified or supplemented and in effect, and together with the Pre-Petition First Lien Facility, the Pre-Petition Second Lien Facility and the Intercreditor Agreement, the "**Pre-Petition Financing Agreements**").

(ii) **Pre-Petition Debt Amount**. As of the Petition Date, the Debtors were indebted under the Pre-Petition Financing Agreements in the approximate principal amount of (a) approximately $231.1 million on account of outstanding term loans, plus approximately $**[8.2]** million on account of outstanding Pre-Petition Revolving Loans, under the Pre-Petition First Lien Facility (excluding certain interest and other charges that continue to accrue) (the "**Pre-Petition First Lien Debt**"); (b) approximately $101.2 million on account of term loans outstanding under the Pre-Petition Second Lien Facility (together with the Pre-Petition First Lien Debt, the "**Pre-Petition Secured Debt**"); and (c) approximately $54.7 million (including accrued and unpaid interest) on account of amounts outstanding under the Holdco Notes.

(iii) **Pre-Petition Collateral**. To secure the Pre-Petition Secured Debt, the Debtors granted security interests and liens (the "**Pre-Petition Liens**") to the Pre-Petition Secured Parties, to the fullest extent described in the Pre-Petition Financing Agreements, upon (a) all Accounts; (b) all Chattel Paper; (c) all Deposit Accounts; (d) all Documents; (e) all Equipment (whether or not constituting Fixtures); (f) all General Intangibles; (g) all Instruments; (h) all Intellectual Property, to the extent of each Grantor's right, title or interest therein (except for "intent-to-use" applications for trademark or service mark registrations filed pursuant to Section 1(b) of the Lanham Act, 15 U.S.C. § 1051, unless and until an Amendment to Allege Use or a Statement of Use under Sections 1(c) and 1(d) of said Act has been filed); (i) all Inventory; (j) all Investment Property; (k) all Letter-of-Credit Rights; (l) all Money; (m) all Vehicles and certificates of title with respect to Vehicles; (n) all Commercial Tort Claims; (o) all Capital Stock (other than any Capital Stock in excess of 65% of the total outstanding Capital Stock of any Excluded Foreign Subsidiary), Goods, insurance and other personal property not otherwise described above; (p) all Supporting Obligations and products of any and all of the foregoing and all Guarantee Obligations, Liens and claims supporting, securing or in any respect relating to any of the foregoing; (q) all books and records (regardless of medium) pertaining to any of the foregoing; and (r) all existing mortgages and interests in real property, and (s) all Proceeds of any of the foregoing (each as defined in the Pre-Petition Financing Agreements) (collectively, the "**Pre-Petition Collateral**"), with priority over all other liens except any liens which are valid, properly perfected, unavoidable, and senior to the Pre-Petition Liens (the "**Priority Liens**").

(iv) **Pre-Petition Liens**. (a) As of the Petition Date, the Debtors believe that (i) the Pre-Petition Liens are valid, binding, and enforceable liens, subject only to any Priority Liens and are not subject to avoidance, recharacterization or subordination pursuant to the Bankruptcy Code or applicable non-bankruptcy law, (ii) the Pre-Petition Secured Debt constitutes legal, valid and binding obligations of the Debtors, enforceable in accordance with the terms of the Pre-Petition Financing Agreements (other than in respect of the stay of enforcement arising from section 362 of the Bankruptcy Code), no offsets, defenses or counterclaims to any of the Pre-Petition Secured Debt exists, and no portion of the Pre-Petition Secured Debt is subject to avoidance, recharacterization or subordination pursuant to the Bankruptcy Code or applicable non-bankruptcy law, and (iii) the Pre-Petition Secured Debt constitutes allowable claims, secured to the extent of the value of any applicable collateral, and (b) on the date that the Interim Order was entered (and confirmed by the entry of this Final Order), each Debtor has waived, discharged and released the Pre-Petition Secured Parties, together with their affiliates, agents, attorneys, officers, directors and employees, of any right any Debtor may have (x) to challenge or object to any of the Pre-Petition Secured Debt, (y) to challenge or object to the security for the Pre-Petition Secured Debt, and (z) to bring or pursue any and all claims, objections, challenges, causes of action and/or choses in action arising out of, based upon or related to the Pre-Petition Financing Agreements or otherwise.

The Debtors do not possess and will not assert any claim, counterclaim, setoff or defense of any kind, nature or description which would in any way affect the validity, enforceability and non-avoidability of any of the Pre-Petition Financing Agreements or the Pre-Petition Liens, or any claim of the Pre-Petition Secured Parties pursuant to the Pre-Petition Financing Agreements.

(v) **Cash Collateral.** The Pre-Petition Secured Parties have a security interest in certain of the Cash Collateral, including all amounts on deposit in the Debtors' banking, checking, or other deposit accounts and all proceeds of Pre-Petition Collateral, to secure the Pre-Petition Secured Debt and, respectively, to the same extent and order of priority as that which was held by such party pre-petition.

(vi) **Priming of DIP Facility**. In entering into the DIP Financing Agreements, and as consideration therefor, the Debtors hereby agree that until such time as all DIP Obligations are fully satisfied in accordance with the terms of the DIP Credit Agreement, including payment of DIP Obligations in full in cash or, in the case of certain letters of credit issued pursuant to the DIP Credit Agreement, the treatment specified in the DIP Credit Agreement (or other arrangements for payment or other treatment of either the DIP Obligations or letters of credit (including under the Exit Loan Documents) of the DIP Obligations satisfactory to the DIP Agent have been made) and the DIP Financing Agreements are terminated in accordance with the terms thereof, the Debtors shall not in any way prime or seek to prime the security interests and DIP Liens provided to the DIP Secured Parties under this Final Order, as applicable, by offering a subsequent

lender or a party-in-interest a senior or *pari passu* lien or claim pursuant to section 364(d) of the Bankruptcy Code or otherwise.

F. **Findings Regarding the Post-Petition Financing.**

(i) **Need for Post-Petition Financing.** An immediate need exists for the Debtors to obtain funds from the DIP Facility in order to continue operations and to administer and preserve the value of their estates. The ability of the Debtors to finance their operations, to preserve and maintain the value of their assets and maximize a return for all creditors requires the availability of working capital from the DIP Facility, the absence of which would immediately and irreparably harm the Debtors, their estates, their creditors and equity holders and the possibility for a successful reorganization or sale of the Debtors' assets as a going concern or otherwise.

(ii) **No Credit Available on More Favorable Terms.** The Debtors have been unable to obtain (A) unsecured credit allowable under Bankruptcy Code section 503(b)(1) as an administrative expense, (B) credit for money borrowed with priority over any or all administrative expenses of the kind specified in Bankruptcy Code sections 503(b) or 507(b), (C) credit for money borrowed secured solely by a Lien on property of the estate that is not otherwise subject to a Lien, or (D) credit for money borrowed secured by a junior Lien on property of the estate which is subject to a Lien, in each case, on more favorable terms and conditions than those provided in the DIP Credit Agreement and this Final Order. The Debtors are unable to obtain credit for borrowed money without granting to the DIP Secured Parties the DIP Liens and the DIP Superpriority Claims.

(iii) **Prior Liens.** Nothing in this Final Order shall constitute a finding or ruling by this Court that any Pre-Petition Liens or Existing Senior Liens are valid, senior, perfected and unavoidable. Moreover, nothing shall prejudice (A) the rights of any party in

interest including, but not limited to, the Debtors, the DIP Secured Parties and any committee appointed pursuant to section 1102 of the Bankruptcy Code to challenge the validity, priority, perfection and extent of any Existing Senior Liens or the value of the Pre-Petition Collateral, or (B) the rights of any committee appointed pursuant to section 1102 of the Bankruptcy Code or such other party with standing to do so to challenge the validity, priority, perfection and extent of the Pre-Petition Liens as set forth in this Final Order.

G. **Section 506(c) Waiver.** As a further condition of the DIP Facility and any obligation of the DIP Secured Parties to make credit extensions pursuant to the DIP Financing Agreements, the Debtors (and any successors thereto or any representatives thereof, including any trustees appointed in the Cases or upon the conversion of any of the Cases to a case under Chapter 7 of the Bankruptcy Code or in any other proceedings related to the Cases (any "**Successor Cases**")) shall be deemed to have waived any rights or benefits of section 506(c) of the Bankruptcy Code.

H. **Use of Proceeds of the DIP Facility.** Proceeds of the DIP Facility shall be used, in each case in a manner consistent with the terms and conditions of the DIP Credit Agreement, and in accordance with the Approved Budget, solely (a) to permanently reduce and repay the Pre-Petition Revolving Loans then outstanding (b) to fund the Cases, (c) to pay fees and expenses associated with the DIP Facility, and (d) for working capital and other corporate purposes of the Borrower.

I. **Application of Proceeds of DIP Collateral to Pre-Petition Secured Debt**. Payment of certain of the Pre-Petition First Lien Debt in accordance with this Final Order is necessary as the Pre-Petition Secured Parties will not otherwise consent to the priming of the Pre-Petition Liens**.**

J. **Adequate Protection for Pre-Petition Secured Parties.** As a result of the grant of the DIP Liens, subordination to the Carve Out (as defined below), and the use of Cash Collateral authorized herein, the Pre-Petition Secured Parties are entitled to receive adequate protection pursuant to sections 361, 362, 363 and 364 of the Bankruptcy Code for any diminution in the value ("**Diminution in Value**") of their respective interests in the Pre-Petition Collateral (including Cash Collateral) resulting therefrom and from the imposition of the automatic stay or the Debtors' use, sale or lease of the Pre-Petition Collateral (including Cash Collateral) during the Cases. As adequate protection, the Pre-Petition Agents (for the benefit of the Pre-Petition Secured Parties) will receive, as the case may be: (1) the Adequate Protection Replacement Liens, (2) the Adequate Protection Superpriority Claims, and (3) the Adequate Protection Payments (as defined below).

K. **Section 552.** In light of their agreement to subordinate their liens and superpriority claims (i) to the Carve Out in the case of the DIP Secured Parties, and (ii) to the Carve Out and the DIP Liens in the case of the Pre-Petition Secured Parties, the DIP Secured Parties and the Pre-Petition Secured Parties are each entitled to all of the rights and benefits of section 552(b) of the Bankruptcy Code and the "equities of the case" exception shall not apply.

L. **Extension of Financing.** The DIP Secured Parties have indicated a willingness to provide financing to the Debtors in accordance with the DIP Credit Agreement and subject to (i) the entry of this Final Order, and (ii) findings by this Court that such financing is essential to the Debtors' estate, that the DIP Secured Parties are good faith financiers, and that the DIP Secured Parties' claims, superpriority claims, security interests and liens and other protections granted pursuant to this Final Order and the DIP Facility will not be affected by any subsequent reversal,

modification, vacatur or amendment of this Final Order or any other order, as provided in section 364(e) of the Bankruptcy Code.

M. **Business Judgment and Good Faith Pursuant to Section 364(e).** The terms and conditions of the DIP Facility and the DIP Credit Agreement, and the fees paid and to be paid thereunder are fair, reasonable, and the best available under the circumstances, reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties, and are supported by reasonably equivalent value and consideration; the DIP Facility was negotiated in good faith and at arms' length among the Debtors and the DIP Secured Parties, and use of the proceeds to be extended under the DIP Facility will be so extended in good faith, and for valid business purposes and uses, as a consequence of which the DIP Secured Parties are entitled to the protection and benefits of section 364(e) of the Bankruptcy Code.

N. **Relief Essential; Best Interest.** The relief requested in the DIP Motion (and as provided in the Interim Order and in this Final Order) is necessary, essential, and appropriate for the continued operation of the Debtors' business and the management and preservation of the Debtors' assets and personal property. It is in the best interest of Debtors' estates that the Debtors be allowed to use the Cash Collateral and establish the DIP Facility contemplated by the DIP Credit Agreement.

O. **Entry of Final Order.** For the reasons stated above, the Debtors have requested immediate entry of this Final Order pursuant to Bankruptcy Rule 4001(b)(2) and (c)(2).

NOW, THEREFORE, on the DIP Motion of the Debtors and the record before this Court with respect to the DIP Motion, and with the consent of the Debtors, the Pre-Petition First Lien Secured Parties and the DIP Secured Parties to the form and entry of this Final Order, and good and sufficient cause appearing therefor,

IT IS ORDERED that:

1. **Motion Granted.** The DIP Motion is granted in accordance with the terms and conditions set forth in this Final Order and the DIP Credit Agreement.

2. **DIP Financing Agreements.**

(a) **Approval of Entry Into DIP Financing Agreements.** The DIP Financing Agreements, as modified by this Final Order, are hereby approved on a final basis. The Debtors are expressly and immediately authorized and empowered to execute and deliver the DIP Financing Agreements (to the extent not previously executed or delivered) on a final basis to incur and to perform the DIP Obligations in accordance with, and subject to, the terms of this Final Order and the DIP Financing Agreements, and to execute and deliver all instruments, certificates, agreements and documents which may be required or necessary for the performance by the Debtors under the DIP Facility and the creation and perfection of the DIP Liens described in and provided for by this Final Order and the DIP Financing Agreements. The Debtors are hereby authorized and empowered to do and perform all acts, pay the principal, interest, fees, expenses and other amounts described in the DIP Credit Agreement and all other DIP Financing Agreements as such become due, including, without limitation, closing fees, administrative fees, restructuring fees, commitment fees, agency fees, letter of credit fees and reasonable attorneys', financial advisors' and accountants' fees and disbursements as provided for in the DIP Credit Agreement which amounts shall not otherwise be subject to approval of this Court. The DIP Financing Agreements represent valid and binding obligations of the Debtors enforceable against the Debtors in accordance with their terms.

(b) **Authorization to Borrow.** In order to enable them to continue to operate their business, subject to the terms and conditions of this Final Order, the DIP Credit

Agreement, the other DIP Financing Agreements, and the Approved Budget, the Debtors are hereby authorized under the DIP Facility to borrow up to a total committed amount of $20,000,000 (including up to $5,000,000 for the issuance of letters of credit) in accordance with the terms and conditions of the DIP Credit Agreement.

(c) **Application of DIP Proceeds.** The proceeds of the DIP Facility shall be used, in each case in a manner consistent with the terms and conditions of the DIP Financing Agreements, and in accordance with the Approved Budget solely (i) to repay the Pre-Petition Revolving Loans then outstanding, (ii) to fund the Cases, (iii) to pay fees and expenses associated with the DIP Facility, and (iv) for working capital and other corporate purposes of the Borrower.

(d) **Conditions Precedent.** The DIP Secured Parties shall have no obligation to make any loan or advance under the DIP Credit Agreement unless the conditions precedent to making such loan under the DIP Credit Agreement have been satisfied in full or waived in accordance with the DIP Credit Agreement.

(e) **Enforceable Obligations.** The DIP Financing Agreements shall constitute and evidence the valid and binding obligations of the Debtors, which obligations shall be enforceable against the Debtors, their estates and any successors thereto, in accordance with their terms.

(f) **Protection of DIP Secured Parties and Other Rights.** From and after the Petition Date, the Debtors shall use the proceeds of the extensions of credit under the DIP Facility only for the purposes specifically set forth in the DIP Credit Agreement, this Final Order, and in compliance with the Approved Budget.

3. **DIP Superpriority Claims.**

(a) Pursuant to section 364(c)(1) of the Bankruptcy Code, all of the DIP Obligations shall constitute allowed claims against the Debtors with priority over any and all administrative expenses, including the Adequate Protection Superpriority 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), 506(c), 507(a), 507(b), 726, 1113 or 1114 of the Bankruptcy Code (the "**DIP Superpriority Claims**"), whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy or attachment, which allowed claims shall be payable from and have recourse to all DIP Collateral (as defined below) and all proceeds thereof, subject only to the payment of the Carve Out to the extent specifically provided for herein.

(b) For purposes hereof, "**Carve Out**" means, on and after delivery of notice by the DIP Agent to the Borrower that an Event of Default (as defined in the DIP Credit Agreement) has occurred and the DIP Lenders desire to trigger the Carve Out (a "**Carve Out Trigger Notice**"), the payment of allowed and unpaid professional fees and disbursements incurred by the Borrower and the Guarantors on or after the date of delivery of the Carve Out Trigger Notice in an aggregate amount not in excess of $500,000 plus the amount of unpaid professional fees and expenses incurred by the Borrower and the Guarantors and any statutory committees appointed in the Cases prior to the date of delivery of the Carve Out Trigger Notice and the payment of fees pursuant to 28 U.S.C. § 1930; provided that no portion of the Carve Out shall be utilized for the payment of professional fees and disbursements incurred in connection with any challenge to the amount, extent, priority, validity, perfection or enforcement of the

Indebtedness of the Borrower and the Guarantors owing to the Lenders, the Agents or indemnified parties under the DIP Credit Agreement or to the DIP Collateral. The DIP Lenders agree that so long as no Event of Default (as defined in the DIP Credit Agreement) shall have occurred and be continuing, the Borrower and the Guarantors shall be permitted to pay compensation and reimbursement of expenses allowed and payable under 11 U.S.C. § 330 and 11 U.S.C. § 331, as the same may be due and payable, and the same shall not reduce the Carve Out. The foregoing shall not be construed as a consent to the allowance of any fees and expenses referred to above and shall not affect the right of the Agents and the Lenders to object to the allowance and payment of such amounts.

4. **DIP Liens.** As security for the DIP Obligations, effective and perfected upon the date of this Final Order and without the necessity of the execution, recordation or filing by the Debtors of security agreements, control agreements, pledge agreements, mortgages, financing statements or other similar documents, the following security interests in and liens are hereby granted to the DIP Lenders (all such liens and security interests granted to the DIP Lenders, pursuant to this Final Order and the DIP Facility, the "**DIP Liens**"), subject, in all cases, only upon delivery of a Carve Out Trigger Notice, to the payment of the Carve Out, on all pre-petition and post-petition assets and property of the Debtors, whether existing on the Petition Date or thereafter acquired, including, without limitation, accounts, deposit accounts, cash, chattel paper, investment property, letter-of-credit rights, securities accounts, commercial tort claims, investments, instruments, documents, inventory, contract rights, general intangibles, intellectual property, real property, fixtures, goods, equipment and other fixed assets and proceeds and products of all of the foregoing (including insurance proceeds) (all such property being collectively referred to as the "**DIP Collateral**"); provided, however, that in no event shall

the Obligations be secured by (nor shall the DIP Collateral include) any pledge in excess of 65% of the total outstanding Capital Stock of any Excluded Foreign Subsidiary (if adverse tax consequences could result to the Debtors), or any avoidance actions under Chapter 5 of the Bankruptcy Code (including, for the avoidance of doubt, under any similar state law by use of the strong arm powers of section 544 of the Bankruptcy Code) or the proceeds thereof.

(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 senior security interest in and lien upon all DIP Collateral that, on or as of the Petition Date was not subject to valid, perfected, enforceable and non-avoidable liens.

(b) **Liens Priming Pre-Petition Secured Parties' Liens**. Pursuant to section 364(d)(1) of the Bankruptcy Code, a valid, binding, continuing, enforceable, fully-perfected first priority senior priming security interest in and lien upon all DIP Collateral that is subject to the Pre-Petition Liens. Such security interests and Liens shall be senior in all respects to any current or future liens of the Pre-Petition Secured Parties on any DIP Collateral and any Liens that are junior thereto, including any Liens granted on or after the Petition Date to provide adequate protection in respect of the Pre-Petition Facilities.

(c) **Liens Junior to Certain Other Liens.** Pursuant to section 364(c)(3) of the Bankruptcy Code, valid, binding, continuing, enforceable, fully-perfected security interests in and liens upon all DIP Collateral (other than the DIP Collateral described in clauses (a) or (b) of this paragraph 4, as to which the liens and security interests in favor of the DIP Lenders will be as described in such clauses), that was subject to valid and perfected liens in existence on the Petition Date that were permitted by the Pre-Petition First Lien Facility and are senior to the Pre-Petition Liens under applicable law, or to valid liens in existence on the Petition

Date or perfected thereafter as permitted by section 546(b) of the Bankruptcy Code, if any (in each case, other than liens securing the Pre-Petition First Lien Facility and the Pre-Petition Second Lien Facility) (the "**Existing Senior Liens**"), which security interests and liens in favor of the DIP Lenders are junior to such valid, perfected and unavoidable liens.

(d) **Liens Senior to Certain Other Liens**. The DIP Liens and the Adequate Protection Replacement 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 including, without limitation, any liens or security interests granted in favor of any federal, state, municipal or other governmental unit, commission, board or court for any liability of any Debtor, or (ii) subordinated to or made *pari passu* with any other lien or security interest under section 364 of the Bankruptcy Code or otherwise.

5. **Authorization to Continue to Use Cash Collateral.** Pursuant to the terms and conditions of this Final Order (and subject to the Debtors' rights under paragraph 17 hereof), and in accordance with the budget attached to the DIP Credit Agreement (as the same may be modified, supplemented, or updated from time to time consistent with the terms of the DIP Credit Agreement, the "**Approved Budget**"), each Debtor is authorized to use Cash Collateral until (i) a DIP Order Event of Default (as defined below) has occurred and is continuing, (ii) the occurrence of the Commitment Termination Date (as defined below), or (iii) the termination of the DIP Facility pursuant to the DIP Credit Agreement.

6. **Authorization to Use Proceeds of DIP Financing Agreement.** Pursuant to the terms and conditions of this Final Order (and subject to the Debtors' rights under paragraph 17 hereof), the DIP Facility and the DIP Credit Agreement, and in accordance with the

Approved Budget, each Debtor is authorized to use the advances under the DIP Credit Agreement during the period commencing immediately after the entry of this Final Order until (i) a DIP Order Event of Default has occurred and is continuing, (ii) the occurrence of the Commitment Termination Date, or (iii) termination of the DIP Facility pursuant to the DIP Credit Agreement. Nothing in this Final Order shall authorize the disposition of any assets of the Debtors or their estates outside the ordinary course of business or other proceeds resulting therefrom, except as permitted in the DIP Facility and the DIP Credit Agreement and in accordance with the Approved Budget.

7. **Adequate Protection for Pre-Petition Secured Parties.** As adequate protection for any Diminution in Value of the interests of the Pre-Petition Secured Parties in the Pre-Petition Collateral (including Cash Collateral), the Pre-Petition Secured Parties shall receive, as the case may be, adequate protection as follows:

(a) **Adequate Protection Replacement Liens.** Solely to the extent of the Diminution in Value of the interests of the Pre-Petition Secured Parties in the Pre-Petition Collateral, the Pre-Petition Secured Parties shall have, subject to the terms and conditions set forth below, pursuant to sections 361, 363(e) and 364(d) of the Bankruptcy Code additional and replacement security interests in and liens on the DIP Collateral (the "**Adequate Protection Replacement Liens**") which shall be junior only to the DIP Liens, the Existing Senior Liens, and the Carve Out as provided herein. The Adequate Protection Replacement Liens of the Pre-Petition First Lien Secured Parties shall be senior and prior to the Adequate Protection Replacement Liens in respect of the Pre-Petition Secured Parties under the Pre-Petition Second Lien Facility.

(b) **Adequate Protection Superpriority Claims.** Solely to the extent of the Diminution in Value of the interests of the Pre-Petition Secured Parties in the Pre-Petition Collateral, the Pre-Petition Secured Parties shall have allowed superpriority administrative expense claims (the "**Adequate Protection Superpriority Claims**") which shall have priority, except with respect to (a) the DIP Liens, (b) the DIP Superpriority Claims, (c) Existing Senior Liens, and (d) the Carve Out, in all of the Cases under sections 364(c)(1), 503(b) and 507(b) of the Bankruptcy Code and otherwise over all administrative expense claims and unsecured claims against the Debtors and their estates, now existing or hereafter arising, of any kind or nature whatsoever including, without limitation, administrative expenses of the kinds specified in or ordered pursuant to sections 105, 326, 328, 330, 331, 503(a), 503(b), 506(c), 507(a), 507(b), 546(c), 546(d), 552, 726, 1113, and 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. Payment of the Adequate Protection Superpriority Claims granted to the First Lien Agent for the benefit of the Pre-Petition First Lien Secured Parties shall have priority over the Adequate Protection Superpriority Claims granted in respect of the Pre-Petition Second Lien Facility. Other than the DIP Liens, the DIP Superpriority Claims, and the Carve Out, no costs or expenses of administration, including, without limitation, professional fees allowed and payable under Bankruptcy Code sections 328, 330, and 331, or otherwise, that have been or may be incurred in these proceedings, or in any Successor Cases, and no priority claims are, or will be, senior to, prior to or on a parity with the Adequate Protection Superpriority Claims. The Adequate Protection Superpriority Claims granted to the Pre-Petition Secured Parties may be impaired pursuant to a Plan with the vote of sufficient holders of such claims that satisfies the requirements of section 1126 of the Bankruptcy Code.

(c) **Adequate Protection Payments.** The Pre-Petition First Lien Secured Parties shall also receive adequate protection in the form of (i) repayment of the Pre-Petition Revolving Loans and (ii) interest payments under the Pre-Petition First Lien Facility at the non-default rate (including any LIBOR pricing option) and on the non-default interest payment dates specified in the Pre-Petition First Lien Facility (collectively, the "**Adequate Protection Payments**").

(d) **Adequate Protection Upon Sale of Collateral.** Upon the sale of any Pre-Petition Collateral pursuant to section 363 of the Bankruptcy Code, any such Pre-Petition Collateral shall be sold free and clear of the Pre-Petition Liens and the Adequate Protection Replacement Liens, provided however, that such Pre-Petition Liens shall attach to the proceeds of any such sale in the order, manner, and priority as set forth in this Final Order and the DIP Credit Agreement.

8. **Section 507(b) Reservation.** Nothing herein shall impair or modify the Pre-Petition Secured Parties' rights under section 507(b) of the Bankruptcy Code in the event that the adequate protection provided to the Pre-Petition Secured Parties hereunder is insufficient to compensate for the Diminution in Value of the interests of the Pre-Petition Secured Parties in the Pre-Petition Collateral during the Cases or any Successor Case, provided, however, that any section 507(b) claim granted in the Cases to the Pre-Petition Secured Parties shall be junior in right of payment to all DIP Obligations and subject to the Carve Out.

9. **Post-Petition Lien Perfection.** This Final Order shall be sufficient and conclusive evidence of the validity, perfection, and priority of the DIP Liens and the Adequate Protection Replacement Liens without the necessity of filing or recording any financing statement, deed of trust, mortgage, or other instrument or document which may otherwise be

required under the law of any jurisdiction or the taking of any other action (including, for the avoidance of doubt, entering into any deposit account control agreement or securities account control agreement) to validate or perfect the DIP Liens and the Adequate Protection Replacement Liens or to entitle the DIP Liens and the Adequate Protection Replacement Liens to the priorities granted herein. Notwithstanding the foregoing, the DIP Agent and the First Lien Agent may, in their sole discretion, file such financing statements, mortgages, security agreements, notices of liens and other similar documents, and are hereby granted relief from the automatic stay of section 362 of the Bankruptcy Code in order to do so, and all such financing statements, mortgages, security agreements, notices and other agreements or documents shall be deemed to have been filed or recorded at the time and on the date of the commencement of the Cases. The Debtors shall execute and deliver to the DIP Agent and the First Lien Agent all such financing statements, mortgages, notices and other documents as the DIP Agent and the First Lien Agent may reasonably request to evidence, confirm, validate or perfect, or to insure the contemplated priority of, the DIP Liens and the Adequate Protection Replacement Liens granted pursuant hereto. The DIP Agent, in its discretion, may file a photocopy of this Final Order as a financing statement with any recording officer designated to file financing statements or with any registry of deeds or similar office in any jurisdiction in which any Debtor has real or personal property, and in such event, the subject filing or recording officer shall be authorized to file or record such copy of this Final Order. The DIP Agent shall, in addition to the rights granted to it under the DIP Financing Agreement, be deemed to be the successor in interest to the Pre-Petition Secured Parties with respect to all third party notifications in connection with the Pre-Petition Financing Agreements, all Pre-Petition Collateral access agreements and all other agreements with third parties relating to, or waiving claims against, any Pre-Petition Collateral,

including without limitation, each collateral access agreement duly executed and delivered by any landlord of the Debtors and including, for the avoidance of doubt, all deposit account control agreements, securities account control agreements, and credit card agreements, provided, that the Pre-Petition Agents shall continue to have all rights pursuant to each of the foregoing.

10. **Payment of Compensation.** Nothing herein shall be construed as consent to the allowance of any professional fees or expenses of any of the Debtors, of any official committee or of any person or shall affect the right of the DIP Secured Parties or the First Lien Agent to object to the allowance and payment of such fees and expenses or to permit the Debtors to pay any such amounts not set forth in the Approved Budget.

11. **Section 506(c) Claims.** Nothing contained in this Final Order shall be deemed a consent by the Pre-Petition Secured Parties or the DIP Secured Parties to any charge, lien, assessment or claim against the DIP Collateral, the Pre-Petition Collateral, or the Adequate Protection Replacement Liens under section 506(c) of the Bankruptcy Code or otherwise.

12. **Collateral Rights.** Unless the DIP Agent has provided its prior written consent or all DIP Obligations have been paid in full in cash (or will be paid in full in cash upon entry of an order approving indebtedness described in subparagraph (a) below), all commitments to lend have terminated, and all Letters of Credit have been secured as required by the DIP Credit Agreement, there shall not be entered in these proceedings, or in any Successor Case, any order which authorizes any of the following:

(a) Except as permitted in the DIP Credit Agreement, the obtaining of credit or the incurring of indebtedness that is secured by a security, mortgage, or collateral interest or other lien on all or any portion of the DIP Collateral, or the Adequate Protection

Replacement Liens and/or entitled to priority administrative status which is equal or senior to those granted to the DIP Secured Parties or the Pre-Petition Secured Parties; or

(b) relief from stay by any person other than the DIP Secured Parties on all or any portion of the DIP Collateral upon which the DIP Secured Parties have been granted a first priority senior priming security interest pursuant to this Final Order and the DIP Credit Agreement, except as permitted in the DIP Credit Agreement; or

(c) the Debtors' return of goods constituting DIP Collateral pursuant to section 546(h) of the Bankruptcy Code, except as permitted in the DIP Credit Agreement.

13. **Proceeds of Subsequent Financing.** Without limiting the provisions and protections of paragraph 12 above, if at any time prior to the repayment in full (or other arrangements for payment or other treatment that is satisfactory to the DIP Agent, including under the Exit Loan Documents) of all DIP Obligations and the termination of the DIP Secured Parties' obligations to make loans and advances under the DIP Facility, including subsequent to the confirmation of any Chapter 11 plan or plans (the "**Plan**") with respect to the Debtors, the Debtors' estates, any trustee, any examiner with enlarged powers or any responsible officer subsequently appointed, shall obtain credit or incur debt pursuant to Bankruptcy Code sections 364(b), 364(c) or 364(d) in violation of the DIP Credit Agreement, then all of the cash proceeds derived from such credit or debt shall immediately be turned over to the DIP Agent in reduction of the DIP Obligations until paid and satisfied in full in cash.

14. **Commitment Termination Date**. Subject only to the Debtors' rights under paragraph 17 of this Final Order, all (a) DIP Obligations shall be immediately due and payable, and (b) authority to use the proceeds of the DIP Financing Agreements and to use Cash Collateral shall cease on the earlier of (i) the date that is 90 days after the Closing Date, (ii) the

date upon which the sale of substantially all of the Debtors' assets is consummated, or (iii) the date of the acceleration of the Loans and the termination of the Commitments as provided in the DIP Facility (the "**Commitment Termination Date**").

15. **Disposition of Collateral**. The Debtors shall not, prior to payment and/or satisfaction in full of the DIP Obligations, (a) sell, transfer, lease, encumber or otherwise dispose of any portion of the DIP Collateral, without the prior written consent of the requisite DIP Secured Parties required under the DIP Credit Agreement (and no such consent shall be implied, from any other action, inaction or acquiescence by the DIP Secured Parties or an order of this Court), except for sales of the Debtors' inventory in the ordinary course of business or except as otherwise provided for in the DIP Credit Agreement and this Final Order and approved by the Bankruptcy Court, or (b) assume, reject or assign any Lease without the prior consultation with the DIP Agent, except as otherwise provided for in the DIP Credit Agreement.

16. **Events of Default**. The occurrence of any Event of Default (as defined in the DIP Credit Agreement, subject to any notice and cure periods required by the DIP Credit Agreement) shall constitute a DIP Order Event of Default (a "**DIP Order Event of Default**"). Unless and until the DIP Obligations (other than contingent obligations not then due and owing) are irrevocably repaid in full, all commitments to lend have irrevocably terminated, and all Letters of Credit have been cash collateralized as required by the DIP Credit Agreement, the protections afforded to the Pre-Petition Secured Parties and the DIP Secured Parties pursuant to this Final Order and under the DIP Credit Agreement, and any actions taken pursuant thereto, shall survive the entry of any order confirming a Plan or converting these Cases into a Successor Case, and the DIP Liens, the DIP Superpriority Claims, the Adequate Protection Replacement Liens and the Adequate Protection Superpriority Claims shall continue in these proceedings and

in any Successor Case, and such DIP Liens, DIP Superpriority Claims, Adequate Protection Replacement Liens, and the Adequate Protection Superpriority Claims shall maintain their respective priorities as provided by this Final Order.

17. **Rights and Remedies Upon DIP Order Event of Default**.

(a) Any automatic stay otherwise applicable to the DIP Secured Parties is hereby modified so that after the occurrence and during the continuation of any DIP Order Event of Default, at any time thereafter upon five (5) business days prior written notice of such occurrence, in each case given to the Debtors, counsel to the Debtors, counsel for any creditors committee appointed in the Cases, if any, and the U.S. Trustee, the DIP Secured Parties shall be entitled to exercise their rights and remedies in accordance with the DIP Financing Agreements. Immediately following the giving of written notice by the DIP Agent of the occurrence of a DIP Order Event of Default: (i) the Debtors shall continue to deliver and cause the delivery of the proceeds of DIP Collateral to the DIP Agent as provided in the DIP Credit Agreement and this Final Order; (ii) the DIP Agent shall continue to apply such proceeds in accordance with the provisions of this Final Order and of the DIP Credit Agreement; (iii) the Debtors shall have no right to use any of such proceeds, nor any other Cash Collateral other than towards the satisfaction of the Pre-Petition Secured Debt and DIP Obligations and the Carve Out; and (iv) any obligation otherwise imposed on the DIP Agent or the DIP Secured Parties to provide any loan or advance to the Debtors pursuant to the DIP Facility shall be suspended. Following the giving of written notice by the DIP Agent of the occurrence of a DIP Order Event of Default, the Debtors shall be entitled to an emergency hearing before this Court solely for the purpose of contesting whether a DIP Order Event of Default has occurred. The Debtors and the DIP Agent shall reasonably cooperate to conduct such an emergency hearing within the five (5)

business days following the delivery of notice of the occurrence of a DIP Order Event of Default, or such other period as the Court will permit. Notwithstanding anything to the contrary set forth herein, the Debtors shall have the right to make an expedited motion with the Court that seeks the Debtors' right to continue to utilize Cash Collateral until a final determination regarding whether a DIP Order Event of Default has occurred.

(b) Subject in all respects to the provisions of Paragraph 17(a), upon the occurrence of a DIP Order Event of Default, and upon any notice required by the DIP Credit Agreement, the DIP Agent and DIP Lenders are authorized to exercise their remedies and proceed under or pursuant to the DIP Financing Agreements. All proceeds realized from any of the foregoing shall be turned over to the DIP Agent for application, first to the Carve Out, and then to the DIP Obligations and the Pre-Petition Secured Debt under, and in accordance with the provisions of, the DIP Financing Agreements, the Pre-Petition Financing Agreements and this Final Order.

(c) The automatic stay imposed under Bankruptcy Code section 362(a) is hereby modified pursuant to the terms of the DIP Credit Agreement as necessary to (1) permit the Debtors to grant the Adequate Protection Replacement Liens and the DIP Liens and to incur all liabilities and obligations to the Pre-Petition Secured Parties, the DIP Lenders under the DIP Financing Agreements, the DIP Facility and this Final Order, and (2) authorize the DIP Lenders and the Pre-Petition Secured Parties to retain and apply payments hereunder.

(d) Nothing included herein shall prejudice, impair, or otherwise affect Pre-Petition Secured Parties' or DIP Secured Parties' rights to seek any other or supplemental relief in respect of the Debtors, or the DIP Agent's or DIP Lenders' rights, as provided in the

DIP Credit Agreement, to suspend or terminate the making of loans under the DIP Credit Agreement.

18. **Proofs of Claim.** The Pre-Petition Secured Parties and the DIP Secured Parties will not be required to file proofs of claim in the Cases or in any Successor Case.

19. **Right of Access and Information.** The Debtors shall permit representatives, agents, and/or employees of the DIP Agent to have reasonable access to their premises and their records during normal business hours (without unreasonable interference to the proper operation of the Debtors' businesses) and shall cooperate, consult with, and provide to such persons all such non-privileged information as they may reasonably request.

20. **Other Rights and Obligations**.

(a) **Good Faith Under Section 364(e) of the Bankruptcy Code. No Modification or Stay of this Final Order.** The DIP Agent and the DIP Lenders each have acted in good faith in connection with this Final Order and their reliance on this Final Order is in good faith. Based on the findings set forth in this Final Order and in accordance with section 364(e) of the Bankruptcy Code, which is applicable to the DIP Facility contemplated by this Final Order, in the event any or all of the provisions of this Final Order are hereafter modified, amended or vacated by a subsequent order of this or any other Court, the DIP Secured Parties are entitled to the protections provided in section 364(e) of the Bankruptcy Code and, no such appeal, modification, amendment or vacation shall affect the validity and enforceability of any advances made hereunder or the liens or priority authorized or created hereby. Notwithstanding any such modification, amendment or vacation, any claim granted to the DIP Secured Parties hereunder arising prior to the effective date of such modification, amendment or vacation of any DIP Liens or DIP Superpriority Claims granted to the DIP Secured Parties shall be governed in all respects

by the original provisions of this Final Order, and the DIP Secured Parties shall be entitled to all of the rights, remedies, privileges and benefits, including the DIP Liens and DIP Superpriority Claims granted herein, with respect to any such claim. Since the loans made pursuant to the DIP Credit Agreement are made in reliance on this Final Order, the obligations owed the DIP Secured Parties prior to the effective date of any stay, modification or vacation of this Final Order shall not, as a result of any subsequent order in the Cases or in any Successor Cases, be subordinated, lose their lien priority or superpriority administrative expense claim status, or be deprived of the benefit of the status of the liens and claims granted to the DIP Secured Parties under this Final Order and/or the DIP Financing Agreements.

(b) **Expenses.** As provided in the DIP Financing Agreements and subject to the limitations set forth therein, all reasonable costs and out-of-pocket expenses of the DIP Secured Parties in connection with the DIP Financing Agreements, including, without limitation, reasonable legal, accounting, collateral examination, monitoring and appraisal fees, financial advisory fees, fees and expenses of other consultants, indemnification and reimbursement of fees and expenses, and other out of pocket expenses will be paid by the Debtors, whether or not the transactions contemplated hereby are consummated. Payment of such fees shall not be subject to allowance by the Bankruptcy Court. Under no circumstances shall professionals for the DIP Secured Parties or First Lien Agent be required to comply with the U.S. Trustee fee guidelines, but shall provide reasonably detailed statements (redacted if necessary for privileged, confidential, or otherwise sensitive information) to the Office of the U.S. Trustee and the Debtors.

(c) **Binding Effect.** The provisions of this Final Order shall be binding upon and inure to the benefit of the DIP Secured Parties and the Pre-Petition Secured Parties, the

Debtors, and their respective successors and assigns (including any trustee or other fiduciary hereinafter appointed as a legal representative of the Debtors or with respect to the property of the estates of the Debtors) whether in the Cases, in any Successor Cases, or upon dismissal of any such chapter 11 or chapter 7 Case.

(d) **No Waiver.** The failure of the Pre-Petition Secured Parties and the DIP Secured Parties to seek relief or otherwise exercise their rights and remedies under the DIP Financing Agreements, the DIP Facility, the Interim Order, this Final Order or otherwise, as applicable, shall not constitute a waiver of any of the Pre-Petition Secured Parties' and the DIP Secured Parties' rights hereunder, thereunder, or otherwise. Notwithstanding anything herein, the entry of this Final Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly, or otherwise impair the Pre-Petition Secured Parties or the DIP Secured Parties under the Bankruptcy Code or under non-bankruptcy law, including without limitation, the rights of the Pre-Petition Secured Parties and the DIP Secured Parties to (i) request conversion of the Cases to cases under Chapter 7, dismissal of the Cases, or the appointment of a trustee in the Cases, or (ii) propose, subject to the provisions of section 1121 of the Bankruptcy Code, a Plan or (iii) exercise any of the rights, claims or privileges (whether legal, equitable or otherwise) the DIP Secured Parties or the Pre-Petition Secured Parties.

(e) **No Third Party Rights.** Except as explicitly provided for herein, this Final Order does not create any rights for the benefit of any third party, creditor, equity holder or any direct, indirect, or incidental beneficiary.

(f) **No Marshaling.** Neither the DIP Secured Parties nor the Pre-Petition Secured Parties shall be subject to the equitable doctrine of "marshaling" or any other similar doctrine with respect to any of the DIP Collateral or Pre-Petition Collateral, as applicable.

(g) **Section 552(b).** The DIP Secured Parties and the Pre-Petition Secured Parties shall each be entitled to all of the rights and benefits of section 552(b) of the Bankruptcy Code and the "equities of the case" exception under section 552(b) of the Bankruptcy Code shall not apply to the DIP Secured Parties or the Pre-Petition Secured Parties with respect to proceeds, product, offspring or profits of any of the Pre-Petition Collateral or the DIP Collateral.

(h) **Amendment.** The Debtors and the DIP Agent may amend, modify, supplement or waive any provision of the DIP Financing Agreements without further approval of the Court, pursuant to the terms of the DIP Financing Agreements. Except as otherwise provided herein, no waiver, modification, or amendment of any of the provisions hereof shall be effective unless set forth in writing, signed by on behalf of all the Debtors and the DIP Agent (after having obtained the approval of the DIP Secured Parties as provided in the DIP Financing Agreements) and approved by the Bankruptcy Court.

(i) **Survival of Final Order.** The provisions of this Final Order and any actions taken pursuant hereto shall survive entry of any order which may be entered (i) confirming a Plan in the Cases, (ii) converting any of the Cases to a case under chapter 7 of the Bankruptcy Code, or (iii) to the extent authorized by any applicable law, dismissing any of the Cases, (iv) withdrawing of the reference of any of the Cases from this Court, or (v) providing for abstention from handling or retaining of jurisdiction of any of the Cases in this Court. The terms and provisions of this Final Order including the DIP Liens and Superpriority Claims granted pursuant to this Final Order and the DIP Financing Agreements and any protections granted to the Pre-Petition Agents and the Pre-Petition Secured Parties, shall continue in full force and effect notwithstanding the entry of such order, and such DIP Liens and DIP Superpriority Claims

and such protections for the Pre-Petition Agents and the Pre-Petition Secured Parties shall maintain their respective priorities as provided by this Final Order until all the obligations of the Debtors to the DIP Lenders pursuant to the DIP Financing Agreements and the Pre-Petition First Lien Debt have been indefeasibly paid in full and discharged (such payment being without prejudice to any terms or provisions contained in the DIP Facility which survive such discharge by their terms). The DIP Obligations shall not be discharged by the entry of an order confirming a Plan, the Debtors having waived such discharge pursuant to section 1141(d)(4) of the Bankruptcy Code; provided that the DIP Obligations may be treated pursuant to the prepackaged plan of reorganization filed by the Debtors with the Court on the Petition Date. The Debtors shall not propose or support any Plan that is not conditioned upon the payment in full in cash of all of the DIP Obligations and the Pre-Petition Secured Debt (or other arrangements for payment or other treatment that is satisfactory to the DIP Agent, including under the Exit Loan Documents), on or prior to the earlier to occur of (i) the effective date of such Plan and (ii) the Commitment Termination Date.

(j) **Inconsistency.** In the event of any inconsistency between the terms and conditions of the DIP Financing Agreements, the Interim Order and this Final Order, the provisions of this Final Order shall govern and control.

(k) **Enforceability.** This Final Order shall constitute findings of fact and conclusions of law pursuant to the Bankruptcy Rule 7052 and shall take effect and be fully enforceable nunc pro tunc to the Petition Date immediately upon execution hereof.

(l) **[Objections Overruled. All objections to this Final Order, to the extent not withdrawn or resolved, are hereby overruled.]**

(m) **No Waivers or Modification of Final Order.** The Debtors irrevocably waive any right to seek any modification or extension of this Final Order without the prior written consent of the DIP Agent and the First Lien Agent and no such consent shall be implied by any other action, inaction or acquiescence of the DIP Agent and the First Lien Agent.

(n) **Waiver of any Applicable Stay.** Any applicable stay (including, without limitation, under Bankruptcy Rule 6004(h)) is hereby waived and shall not apply to this Final Order.

(o) **Retention of Jurisdiction.** The Bankruptcy Court has and will retain jurisdiction to enforce this Final Order according to its terms.

SO ORDERED by the Bankruptcy Court this ____ day of **[**_____**]**, 2009.

_____
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT L

FORM OF INTERCOMPANY NOTE

Dated: _____

FOR VALUE RECEIVED, Quality Home Brands Holdings LLC, a Delaware limited liability company (the "Borrower"), and each of its Subsidiaries (the Borrower and such Subsidiaries collectively, the "Group Members" and each, a "Group Member") which is a party to this subordinated intercompany note (this "Promissory Note") promises to pay to the order of such other Group Member as makes loans to such Group Member (each Group Member which borrows money pursuant to this Promissory Note is referred to herein as a "Payor" and each Group Member which makes loans and advances pursuant to this Promissory Note is referred to herein as a "Payee"), on demand, in lawful money of the United States of America, in immediately available funds and at the appropriate office of the Payee, the aggregate unpaid principal amount of all loans and advances heretofore and hereafter made by such Payee to such Payor and any other indebtedness now or hereafter owing by such Payor to such Payee as shown either on Schedule A attached hereto (and any continuation thereof) or in the books and records of such Payee. The failure to show any such Indebtedness or any error in showing such Indebtedness shall not affect the obligations of any Payor hereunder. Capitalized terms used herein but not otherwise defined herein shall have the meanings given such terms in the Superpriority Secured Debtor-In-Possession Credit Agreement, dated, December 4, 2009 (as amended, modified, supplemented, restated, replaced, or refinanced from time to time, the "Credit Agreement"), among the Borrower, QHB Holdings LLC, a Delaware limited liability company, as a debtor and debtor in possession ("Holdings"), the several Lenders from time to time party thereto and BNP Paribas, as administrative agent and collateral agent (in such respective capacity, the "Administrative Agent" and "Collateral Agent").

The unpaid principal amount hereof from time to time outstanding shall bear interest at a rate equal to the rate as may be agreed upon in writing from time to time by the relevant Payor and Payee or, at the Administrative Agent's option following the occurrence and during the continuation of a Default, at the rate per annum then applicable to Base Rate Loans (as defined in the Credit Agreement) plus 2.0% per annum. Interest shall be due and payable on the last day of each month commencing after the date hereof or at such other times as may be agreed upon in writing from time to time by the relevant Payor and Payee. Upon demand for payment of any principal amount hereof, accrued but unpaid interest on such principal amount shall also be due and payable. Interest shall be paid in lawful money of the United States of America and in immediately available funds. Interest shall be computed for the actual number of days elapsed on the basis of a year consisting of 365 days.

Each Payor and any endorser of this Promissory Note hereby waives presentment, demand, protest and notice of any kind. No failure to exercise, and no delay in exercising, any rights hereunder on the part of the holder hereof shall operate as a waiver of such rights.

This Promissory Note has been pledged by each Payee to the Collateral Agent, for the benefit of the Secured Parties, as security for such Payee's obligations, if any, under the Loan Documents to which such Payee is a party. Each Payor acknowledges and agrees that the Collateral Agent

and the other Secured Parties may exercise all the rights of each Payee under this Promissory Note and will not be subject to any abatement, reduction, recoupment, defense, setoff or counterclaim available to such Payor.

Each Payee agrees that any and all claims of such Payee against any Payor or any endorser of this Promissory Note, or against any of their respective properties, shall be subordinate and subject in right of payment to the Obligations under the Credit Agreement (the "Secured Obligations") until all of the Secured Obligations have been performed and paid in full in cash in immediately available funds and all commitments to extend credit under any Loan Document have been terminated; provided, that each Payor may make payments to the applicable Payee so long as no Default shall have occurred and be continuing; and provided, further, that all loans and advances made by a Payee pursuant to this Promissory Note shall be received by the applicable Payor subject to the provisions of the Loan Documents. Notwithstanding any right of any Payee to ask, demand, sue for, take or receive any payment from any Payor, all rights, Liens and security interests of such Payee, whether now or hereafter arising and howsoever existing, in any assets of any Payor (whether constituting part of the security or collateral given to any Secured Party to secure payment of all or any part of the Secured Obligations or otherwise) shall be and hereby are subordinated to the rights of the Secured Parties in such assets. Except as expressly permitted by the Loan Documents, the Payees shall have no right to possession of any such asset or to foreclose upon, or exercise any other remedy in respect of, any such asset, whether by judicial action or otherwise, unless and until all of the Secured Obligations shall have been performed and paid in full in cash in immediately available funds and all commitments have been expired or terminated.

If all or any part of the assets of any Payor, or the proceeds thereof, are subject to any distribution, division or application to the creditors of any Payor, whether partial or complete, voluntary or involuntary, and whether by reason of liquidation, bankruptcy, arrangement, receivership, assignment for the benefit of creditors or any other action or proceeding, or if the business of any Payor is dissolved or if (except as expressly permitted by the Loan Documents) all or substantially all of the assets of any Payor are sold, then, and in any such event, any payment or distribution of any kind or character, whether in cash, securities or other investment property, or otherwise, which shall be payable or deliverable upon or with respect to any indebtedness of such Payor to any Payee ("Payor Indebtedness") shall be paid or delivered directly to the Collateral Agent for application to any of the Secured Obligations, due or to become due, until the date on which the Secured Obligations shall have been performed and paid in full in cash in immediately available funds, no letters of credit shall be outstanding under any Loan Documents and all commitments to extend credit under any Loan Document shall have expired or been terminated. Each Payee irrevocably authorizes, empowers and appoints the Collateral Agent as such Payee's attorney-in-fact (which appointment is coupled with an interest and is irrevocable) to demand, sue for, collect and receive every such payment or distribution and give acquittance therefor and to make and present for and on behalf of such Payee such proofs of claim and take such other action, in the Collateral Agent's own name or in the name of such Payee or otherwise, as the Collateral Agent may deem necessary or advisable for the enforcement of this Promissory Note. Each Payee also agrees to execute, verify, deliver and file any such proofs of claim in respect of the Payor Indebtedness requested by the Collateral Agent. The Collateral Agent may vote such proofs of claim in any such proceeding (and the applicable Payee shall not be entitled to withdraw such vote), receive and collect any and all dividends or

other payments or disbursements made on Payor Indebtedness in whatever form the same may be paid or issued and apply the same on account of any of the Secured Obligations in accordance with the Credit Agreement. Upon the occurrence and during the continuation of any Default, should any payment, distribution, security or other investment property or instrument or any proceeds thereof be received by any Payee upon or with respect to Payor Indebtedness owing to such Payee prior to such time as the Secured Obligations have been performed and paid in full in cash in immediately available funds, no letters of credit are outstanding under any Loan Documents and all commitments to extend credit under any Loan Document have expired or been terminated, such Payee shall receive and hold the same in trust, as trustee, for the benefit of the Secured Parties, and shall forthwith deliver the same to the Collateral Agent, for the benefit of the Secured Parties, in precisely the form received (except for the endorsement or assignment of such Payee where necessary or advisable in the Collateral Agent's judgment), for application to any of the Secured Obligations in accordance with the Credit Agreement, due or not due, and, until so delivered, the same shall be segregated from the other assets of such Payee and held in trust by such Payee as the property of the Collateral Agent, for the benefit of the Secured Parties. If such Payee fails to make any such endorsement or assignment to the Collateral Agent, the Collateral Agent or any of its officers, employees or representatives are hereby irrevocably authorized to make the same. Each Payee agrees that until the Secured Obligations have been performed and paid in full in cash in immediately available funds, no letters of credit are outstanding under any Loan Document and all commitments to extend credit under any Loan Document have expired or been terminated, such Payee will not (i) assign or transfer, or agree to assign or transfer, to any Person (other than in favor of the Collateral Agent for the benefit of the Secured Parties pursuant to the Guarantee and Collateral Agreement or otherwise) any claim such Payee has or may have against any Payor, (ii) discount or extend the time for payment of any Payor Indebtedness, or (iii) otherwise amend, modify, supplement, waive or fail to enforce any provision of this Promissory Note.

The Secured Parties shall be third party beneficiaries hereof and shall be entitled to enforce the subordination and other provisions hereof.

Notwithstanding anything to the contrary contained herein, in any other Loan Document or in any such promissory note or other instrument, this Promissory Note (i) replaces and supersedes any and all promissory notes or other instruments which create or evidence any loans or advances made on or before the date hereof by any Group Member to any other Group Member, and (ii) shall not be deemed replaced, superseded or in any way modified by any promissory note or other instrument entered into on or after the date hereof which purports to create or evidence any loan or advance by any Group Member to any other Group Member.

THIS PROMISSORY NOTE AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS PROMISSORY NOTE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

From time to time after the date hereof, additional subsidiaries of the Group Members may become parties hereto by executing a counterpart signature page to this Promissory Note (each additional subsidiary, an "Additional Payor"). Upon delivery of such counterpart signature page to the Payees, notice of which is hereby waived by the other Payors, each Additional Payor shall

be a Payor and shall be as fully a party hereto as if such Additional Payor were an original signatory hereof. Each Payor expressly agrees that its obligations arising hereunder shall not be affected or diminished by the addition or release of any other Payor hereunder. This Promissory Note shall be fully effective as to any Payor that is or becomes a party hereto regardless of whether any other Person becomes or fails to become or ceases to be a Payor hereunder.

This Promissory Note may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

[Signature page follows]

IN WITNESS WHEREOF, each Payor has caused this Subordinated Intercompany Note to be executed and delivered by its proper and duly authorized officer as of the date set forth above.

QUALITY HOME BRANDS HOLDINGS LLC

By: _____
Name:
Title:

QHB HOLDINGS LLC

By: _____
Name:
Title:

GENERATION BRANDS LLC

By: _____
Name:
Title:

MURRAY FEISS IMPORT LLC

By: _____
Name:
Title:

LOCUST GP LLC

By: _____
Name:
Title:

LPC MANAGEMENT, L.L.C.

By: _____
Name:
Title:

LIGHT PROCESS COMPANY, L.P.

By: _____
Name:
Title:

SEA GULL LIGHTING PRODUCTS LLC

By: _____
Name:
Title:

WOODCO LLC

By: _____
Name:
Title:

TECH L ENTERPRISES, INC.

By: _____
Name:
Title:

TECH LIGHTING L.L.C.

By: _____
Name:
Title:

LBL LIGHTING LLC

By: _____
Name:
Title:

TECH L HOLDINGS, INC.

By: _____
Name:
Title:

Schedule A

TRANSACTIONS
UNDER
SUBORDINATED INTERCOMPANY NOTE

Date	Name of Payor	Name of Payee	Amount of Advance This Date	Amount of Principal Paid This Date	Outstanding Principal Balance from Payor to Payee This Date	Notation Made By

Schedule B

ENDORSEMENT

FOR VALUE RECEIVED, each of the undersigned does hereby sell, assign and transfer to _____ all of its right, title and interest in and to the Subordinated Intercompany Note, dated _____ (amended, modified, supplemented, restated, replaced, or refinanced from time to time, the "Promissory Note"), made by Quality Home Brands Holdings LLC and each Subsidiary thereof or any other Person that is or becomes a party thereto, and payable to the undersigned. This endorsement is intended to be attached to the Promissory Note and, when so attached, shall constitute an endorsement thereof.

The initial undersigned shall be the Group Members (as defined in the Promissory Note) party to the Loan Documents on the date of the Promissory Note. From time to time after the date thereof, additional subsidiaries of the Group Members shall become parties to the Promissory Note (each, an "Additional Payee") and a signatory to this endorsement by executing a counterpart signature page to the Promissory Note and to this endorsement. Upon delivery of such counterpart signature page to the Payors, notice of which is hereby waived by the other Payees, each Additional Payee shall be a Payee and shall be as fully a Payee under the Promissory Note and a signatory to this endorsement as if such Additional Payee were an original Payee under the Promissory Note and an original signatory hereof. Each Payee expressly agrees that its obligations arising under the Promissory Note and hereunder shall not be affected or diminished by the addition or release of any other Payee under the Promissory Note or hereunder. This endorsement shall be fully effective as to any Payee that is or becomes a signatory hereto regardless of whether any other Person becomes or fails to become or ceases to be a Payee to the Promissory Note or hereunder.

Dated: _____

QUALITY HOME BRANDS HOLDINGS LLC

By: _____
Name:
Title:

QHB HOLDINGS LLC

By: _____
Name:
Title:

GENERATION BRANDS LLC

By: _____
Name:
Title:

MURRAY FEISS IMPORT LLC

By: _____
Name:
Title:

LOCUST GP LLC

By: _____
Name:
Title:

LPC MANAGEMENT, L.L.C.

By: _____
Name:
Title:

LIGHT PROCESS COMPANY, L.P.

By: _____
Name:
Title:

SEA GULL LIGHTING PRODUCTS LLC

By: _____
Name:
Title:

WOODCO LLC

By: _____
Name:
Title:

TECH L ENTERPRISES, INC.

By: _____
Name:
Title:

TECH LIGHTING L.L.C.

By: _____
Name:
Title:

LBL LIGHTING LLC

By: _____
Name:
Title:

TECH L HOLDINGS, INC.

By: _____
Name:
Title:

EXHIBIT M

FORM OF BI-WEEKLY CASH REPORT

_____, 20__

Reference is made to that certain Superpriority Secured Debtor-In-Possession Credit Agreement, dated as of December 4, 2009 (as amended, supplemented, amended as restated or otherwise modified to the date hereof, the "Credit Agreement"; the terms defined therein and not otherwise defined herein being used herein as therein defined), by and among QHB Holdings LLC, a Delaware limited liability company, as a debtor and debtor in possession ("Holdings"), Quality Home Brands Holdings LLC, a Delaware limited liability company, as a debtor and debtor in possession (the "Borrower"), the financial institutions parties from time to time thereto as Lenders (the "Lenders"), and BNP Paribas, as Administrative Agent (in such capacity, the "Administrative Agent") for the Lenders and as Collateral Agent.

Pursuant to Sections 4.2(g) and 7.2(i) of the Credit Agreement, the undersigned Chief Financial Officer of the Borrower hereby certifies that attached hereto as Annex A is a true and accurate calculation of the aggregate balance of cash and Cash Equivalents held by the Loan Parties (calculated based on bank balances, without deduction of any outstanding drafts or other outstanding items) as of the date first written above, determined in accordance with the requirements of the Credit Agreement. The Borrower, by delivery of this Bi-Weekly Cash Report, hereby ratifies, confirms and affirms all of the terms and conditions and provisions of the Loan Documents.

IN WITNESS WHEREOF, the undersigned has caused this certificate to be executed as of _____, 20__.

QUALITY HOME BRANDS HOLDINGS LLC

By: _____
Name: Daniel Macsherry
Title: Chief Financial Officer

ANNEX A
TO
BI-WEEKLY CASH REPORT

_____, 20__

I. BANK RECONCILIATION LISTING & COPIES OF BANK STATEMENTS

Entity	Bank	Account Number	Description of Account	Reconciliation Date	Bank Statement Balance
1. Murray Feiss	J.P. Morgan Chase	*****xxxx		[REPORT AS OF DATE]	$0.00
2. Sea Gull	Chase	*****xxxx		[REPORT AS OF DATE]	$0.00
3. Encompass	Citibank	*****xxxx		[REPORT AS OF DATE]	$0.00
n.					
I.A	**Total Consolidated Bank Cash on Hand**				$

II. REVOLVING CREDIT LINE OUTSTANDING

	Amount ($)
Outstanding Revolver	
1. Revolving Credit Line Outstanding	$

III. ANTI CASH HOARDING TEST

	Amount ($)
1. Total Consolidated Bank Cash on Hand (I.A above)	$
2. Maximum Cash on Hand Allowed	$
3. Bank Cash on Hand beyond Maximum Cash on Hand Allowed (lesser of III.1 minus III.2 and zero)	$

IV. BI-WEEKLY CASH PAYMENT

	Amount ($)
1. Revolving Credit Line Outstanding (II.1)	$
2. Bank Cash on Hand beyond Maximum Cash on Hand Allowed (iii.3)	$
3. Bi-Weekly Cash Payment (lesser of IV.1 and IV.2)	$
4. New Revolver Balance (IV.1 minus IV.3)	$

EXHIBIT N

FORM OF BORROWING BASE CERTIFICATE

Pursuant to that certain Superpriority Secured Debtor-In-Possession Credit Agreement dated as of December 4, 2009 (the "**Credit Agreement**"; the terms defined therein being used herein and in Attachment No. 1 and in Schedule A annexed hereto as therein defined) between Quality Home Brands Holdings LLC, a Delaware limited liability company, as a debtor and debtor in possession (the "**Borrower**"), QHB Holdings, LLC, a Delaware limited liability company, as a debtor and debtor in possession ("**Holdings**"), the several banks and other financial institutions or entities from time to time parties thereto and BNP Paribas, as dministrative Agent and Collateral Agent, the Borrower hereby submits this Borrowing Base Certificate, together with the computations in Attachment No. 1 annexed hereto, which sets forth the Borrowing's current calculations of the Borrowing Base.

The undersigned Responsible Officer of the Borrower, in his corporate capacity, certifies that (i) the computations set forth in Attachment No. 1 annexed hereto have been computed in good faith by the Borrower in accordance with the terms of the Credit Agreement and, to the best of the Borrower's knowledge, are true, accurate and complete as of the date hereof and (ii) no item included in the calculation of the Borrowing Base presently fails to qualify for such inclusion pursuant to the terms and conditions of the Credit Agreement. Attached hereto are schedules in reasonable detail supporting the calculations of the Borrowing Base.

DATED: _____, 20__

By: _____
Name
Title:

ATTACHMENT NO. 1
TO BORROWING BASE CERTIFICATE

The computations set forth in this Attachment No. 1 relate to the Eligible Accounts Receivable and Eligible Inventory of the Borrower and its Subsidiaries which are Loan Parties as of _____, 20__. The various types of accounts and inventory, as well as other terms listed below are defined in Schedule A hereto.

1. ELIGIBLE ACCOUNTS RECEIVABLE

1.a	The Value of all Accounts of the Borrower and its Subsidiaries which are Loan Parties resulting from sales in the ordinary course of business, as reduced by the amount of all returns, discounts, deductions, claims, credits, charges, or other allowances with respect thereto:	$_____
1.b	Less Accounts that are:	
	Affiliate Accounts	$_____
	Default Accounts	$_____
	50% Default Accounts	$_____
	Credit Balance over 90-Days Accounts	$_____
	25% Excess Accounts	$_____
	Unendorsed Accounts	$_____
	Unassigned U.S. Accounts	$_____
	Debtor Relief Accounts	$_____
	Non-U.S. Dollar and Foreign Accounts	$_____
	Contingent Accounts	$_____
	Unperformed Accounts	$_____
	Noncomplying Accounts	$_____
	Prepaid Accounts	$_____
	Unperfected Accounts	$_____
1.c	Total Exclusions (sum of 1.b)	$_____
1.d	Value[1] of Eligible Accounts Receivable (1.a minus 1.c)	$_____

[1] "Value": as determined in accordance with GAAP, with respect to Eligible Accounts Receivable, the gross face amount of Eligible Accounts Receivable less the sum of (i) sales, excise or similar taxes included in the amount thereof and (ii) returns, discounts, claims, credits, charges and allowances of any nature at any time issued, owing, granted, outstanding, available or claimed with respect thereto.

2. ELIGIBLE INVENTORY

2.a	With respect to the Borrower and each of its Subsidiaries that is a Loan Party, the Value of the aggregate amount of Inventory of the Borrower or such Subsidiary:	$_____
2.b	Less Inventory that is:	
	Jointly-Owned Inventory	$_____
	Non-U.S. and In Transit Inventory	$_____
	Outside Inventory	$_____
	Unperfected Inventory	$_____
	Unperformed Inventory	$_____
	Nonconforming Inventory	$_____
	Supply and Non-Productive Inventory	$_____
	Consigned Goods Inventory	$_____
2.c	Total Exclusions (sum of 2.b)	$_____
2.d	Value[2] of Eligible Inventory (2.a minus 2.c)	$_____

3. BORROWING BASE

3.a	Insert amount of 1.d	$_____
3.b	Multiply 3.a times 70%	$_____
3.c	Insert amount of 2.d	$_____
3.d	Multiply 3.c times 35%	$_____
3.e	Administrative Agent Adjustment	$_____
3.f	**Borrowing Base** (3.b + 3.d – 3.e):	$_____

4. REVOLVING COMMITMENTS

4.a	Revolving Commitments	$_____

5. TOTAL REVOLVING EXTENSIONS OF CREDIT

[2] "Value": as determined in accordance with GAAP, with respect to Eligible Inventory, the lower of (i) cost computed on a first-in first-out basis in consistent with GAAP and the Borrower's current and historical accounting practice or (ii) fair market value.

5.a	Aggregate principal amount of Revolving Loans	$_____
5.b	Aggregate principal amount of Swingline Loans	$_____
5.c	Aggregate amount of L/C Obligations	$_____
5.d	**Total Revolving Extensions of Credit** (5.a + 5.b + 5.c)	$_____

6. AVAILABILITY UNDER REVOLVING FACILITY

6.a	Insert lesser of 3.f and 4.a	$_____
6.b	Insert amount of 5.d	$_____
6.c	**Availability under Revolving Facility** (6.a – 6.b)	$_____

SCHEDULE A
TO BORROWING BASE CERTIFICATE

The following Accounts shall be excluded from Eligible Accounts Receivable:

(a) Accounts arising out of a sale made by the Borrower or its Subsidiary to an Affiliate of the Borrower or such Subsidiary or any sale which is not on arm's length terms ("**Affiliate Accounts**");

(b) Accounts which are unpaid more than 60 days after the due date of invoice (or 90 days for any investment grade account debtors or Accounts backed by a Letter of Credit) ("**Default Accounts**");

(c) Accounts from the same account debtor or its Affiliate if 50% or more of the amount of all Accounts from that account debtor (and its Affiliates) are ineligible under (b) above ("**50% Default Accounts**");

(d) An Account for which the account debtor for such Account is a creditor of the Borrower or any Subsidiary of the Borrower which has aged over 90 days past due date of invoice, has or has asserted a right of setoff against the Borrower or any Subsidiary of the Borrower, or has disputed its liability or otherwise has made any claim with respect to such Account or any other Account which has not been resolved, in each case to the extent of the amount owed by the Borrower or any Subsidiary of the Borrower to such account debtor, the amount of such actual or asserted right of setoff, or the amount of such dispute or claim, as the case may be ("**Credit Balance Over 90 Days Account**");

(e) An Account, if when aggregated with all other Accounts of an account debtor and its Affiliates, the amount of such Account exceeds 25% in face amount of all Accounts then outstanding, but only to the extent of such excess ("**25% Excess Account**");

(f) An Account evidenced by a judgment or by a promissory note, chattel paper or any other instrument or other document that is not in the possession of Administrative Agent or does not contain all necessary endorsements in favor of Administrative Agent ("**Unendorsed Account**");

(g) An Account from the United States of America or any department, agency or instrumentality thereof, unless the applicable Loan Party duly assigns its rights to payment of such Account to the Administrative Agent pursuant to the Assignment of Claims Act of 1940, as amended (31 U.S.C. §§ 3727 et seq.) ("**Unassigned U.S. Accounts**")

(h) An Account for which the account debtor is (or its assets are): (i) (A) the subject of any voluntary case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) is seeking appointment of a receiver, trustee, custodian, conservator or other similar official for it

or for all or any substantial part of its assets, or which makes a general assignment for the benefit of its creditors; or (ii) against which is commenced any case, proceeding or other action of a nature referred to in clause (i) above that (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed, undischarged or unbonded for a period of 60 days; or (iii) against which is commenced any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distrait or similar process against all or any substantial part of its assets that results in the entry of an order for any such relief that shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof; or (iv) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; ("**Debtor Relief Account**");

(i) An Account is not payable in Dollars or the account debtor for such Account is located outside the United States, unless such Account is (i) supported by an irrevocable letter of credit satisfactory to Administrative Agent (as to form, substance and issuer) and assigned to and directly drawable by the Administrative Agent or (ii) covered by credit insurance acceptable to the Administrative Agent ("**Non-U.S. Dollar and Foreign Account**");

(j) An Account for which the sale to the account debtor is on a bill-and-hold, guarantied sale, sale-and-return, sale on approval or consignment basis or made pursuant to any other written agreement providing for repurchase or return ("**Contingent Account**");

(k) An Account for which the goods giving rise to such Account have not been shipped and delivered to and accepted by the account debtor, the services giving rise to such Account have not been performed and accepted, or such Account otherwise does not represent a final sale ("**Unperformed Account**");

(l) An Account that does not comply with all material and applicable laws, rules, regulations and orders of any Governmental Authority, including the Federal Consumer Credit Protection Act, the Federal Truth in Lending Act and Regulation Z of the Board of Governors of the Federal Reserve System ("**Noncomplying Account**");

(m) An Account subject to any adverse security deposit, progress payment or other similar advance made by or for the benefit of the applicable account debtor ("**Prepaid Account**");

(n) An Account that is not subject to a valid and perfected or registered first priority Lien in favor of the Collateral Agent or does not otherwise conform to the representations and warranties contained in the Loan Documents ("**Unperfected Accounts**");

The following Inventory shall be excluded from Eligible Inventory:

(a) Inventory that it is not owned solely by the Borrower or such Subsidiary or the Borrower or such Subsidiary does not have good, valid and marketable title thereto ("**Jointly-Owned Inventory**");

(b) Inventory that is in transit or is not located in the United States ("**Non-U.S. and In Transit Inventory**");

(c) Inventory that it is not located on property owned or leased by the Borrower or such Subsidiary or in a contract warehouse, in each case subject to a Collateral Access Agreement, to the extent required at such time by Section 7.14 of the Credit Agreement, executed by any applicable mortgagee, lessor or contract warehouseman, as the case may be, and segregated or otherwise separately identifiable from goods of others, if any, stored on the premises ("**Outside Inventory**");

(d) Inventory that it is not subject to a valid and perfected or registered first priority Lien in favor of the Collateral Agent except, with respect to Inventory stored at sites described in clause (c) above, for Liens for unpaid rent or normal and customary warehousing charges ("**Unperfected Inventory**");

(e) Inventory that consists of goods returned that have been opened from their original packaging or rejected by the Borrower's or such Subsidiary's customers or goods in transit to third parties (other than to warehouse sites covered by a Collateral Access Agreement) ("**Unperformed Inventory**");

(f) Inventory that it is not first-quality goods, is used for showroom displays, is damaged, defective, or does not otherwise conform to the representations and warranties contained in the Loan Documents ("**Nonconforming Inventory**");

(g) Inventory that consists of work-in-process, operating supplies, packaging or shipping materials, scrap, aged more than 18 months (non-productive inventory), capitalized variances, or marketing materials or other such materials not considered for sale in the ordinary course of business ("**Supply and Non-Productive Inventory**");

(h) Inventory that consists of consigned goods ("**Consigned Goods Inventory**").

Borrowing Base.

The Administrative Agent may, in its Permitted Discretion, deem Accounts or Inventory eligible for inclusion in the Borrowing Base or may, in its Permitted Discretion, impose reserves against the Borrowing Base following notice to the Borrower ("**Administrative Agent Adjustment**").

EXHIBIT O

FORM OF LETTER OF CREDIT REQUEST

Dated _____ ___, 20___

BNP Paribas, as Administrative Agent
787 Seventh Avenue
New York, New York 10019-6016
Attention: Charles Romano
Telecopy: (212) 841-3065
Telephone: (212) 841-2968

Re: The Superpriority Secured Debtor-In-Possession Credit Agreement, dated as of December 4, 2009 (the "Credit Agreement") among Quality Home Brands Holdings LLC, a Delaware limited liability company, as a debtor and debtor in possession (the "Borrower"), QHB Holdings LLC, a Delaware limited liability company, as a debtor and debtor in possession ("Holdings"), the several banks and other financial institutions or entities from time to time parties thereto and BNP Paribas, as administrative agent and collateral agent.

Ladies and Gentlemen:

We hereby request that BNP Paribas, as Issuing Lender under the Credit Agreement, [issue][amend][renew][extend] [a][an existing] standby Letter of Credit for the account of [_____, a Subsidiary][the undersigned][1] on _____ ___, 20___[2] (the "**Date of [Issuance][Amendment][Renewal][Extension]**") in the aggregate stated amount of $_____[3]. [Such Letter of Credit was originally issued on [date].]The requested Letter of Credit [shall be][is] denominated in Dollars.

For purposes of this Letter of Credit Request, unless otherwise defined herein, all capitalized terms used herein which are defined in the Credit Agreement shall have the respective meaning provided therein.

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[1] Note that if the Letter of Credit Request is for the account of a Subsidiary, the Borrower shall be a co-applicant, and be jointly and severally liable, with respect to each Letter of Credit issued for the account or in favor of any such Subsidiary.

[2] Date of [Issuance] [Amendment] [Renewal] [Extension], which shall be a Business Day at least three Business Days after the date of this Letter of Credit Request, if this Letter of Credit Request is delivered to the Issuing Lender and the Administrative Agent by 10:00 a.m., New York City time, on the date hereof (or such shorter period as is acceptable to the Issuing Lender).

[3] Aggregate initial stated amount of Letter of Credit.

The beneficiary of the requested Letter of Credit [will be][is] _____[4], and such Letter of Credit [will have][has] a stated expiration date of _____ ___, 20___[5]. [Describe the nature of the amendment, renewal or extension.]

We hereby certify that:

(1) The conditions to this Letter of Credit Request specified in Sections 3.7 and 3.8 of the Credit Agreement are satisfied as of the date hereof.

(2) On the date hereof:

(a) the Borrowing Base in effect is: $_____

(b) the Total Revolving Extensions of Credit outstanding are: $_____

(b) after giving effect to this Letter of Credit Request, the Total Revolving Extensions of Credit outstanding will be: $_____

(3) The representations and warranties contained in the Credit Agreement and the other Loan Documents are true, correct and complete in all material respects on and as of the date hereof to the same extent as though made on and as of the date hereof, except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties were true, correct and complete in all material respects on and as of such earlier date; provided that, if a representation and warranty, covenant or condition is qualified as to materiality, the applicable materiality qualifier set forth above shall be disregarded with respect to such representation and warranty, covenant, or condition for purposes of this condition.

(4) No event has occurred and is continuing or would result from the consummation of the borrowing contemplated hereby that would constitute a Default or an Event of Default.

(5) After giving effect to the Letters of Credit requested hereby, the Total Revolving Extensions of Credit will not exceed the lesser of (x) the Borrowing Base in effect on the date hereof or (y) the Total Revolving Commitments.

[Copies of the documents to be presented by the beneficiary of the requested Letter of Credit and the full text of any certificate to be presented by such beneficiary in connection with any drawing thereunder.][6]

[Signature Page Follows]

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[4] Insert name and address of beneficiary.

[5] Insert last date upon which drafts may be presented which may not be later than the date which is one year after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, one year after such renewal or extension).

[6] Insert for initial issuance of Letter of Credit only.

[NAME OF SUBSIDIARY]

By: _____
Name:
Title:

QUALITY HOME BRANDS HOLDINGS LLC,
as the Borrower

By: _____
Name:
Title:

EXHIBIT O

FORM OF NOTICE OF CONVERSION/CONTINUATION

Pursuant to that certain Superpriority Secured Debtor-In-Possession Credit Agreement, dated as of December 4, 2009 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement" ; capitalized terms used herein and not defined have the meanings given to them in the Credit Agreement) among Quality Home Brands Holdings LLC, a Delaware limited liability company, as a debtor and debtor in possession (the "Borrower"), QHB Holdings LLC, a Delaware limited liability company, as a debtor and debtor in possession ("Holdings"), the several banks and other financial institutions or entities from time to time parties thereto and BNP Paribas, as administrative agent and collateral agent.

1. Date of conversion/continuation: _____

2. Amount of Loans being converted/continued: $_____

3. Type of Loans being converted/continued:

   [ ] a. Revolving Loans

4. Nature of conversion/continuation:

   [ ] a. Conversion of Base Rate Loans to Eurodollar Loans

   [ ] b. Conversion of Eurodollar Loans to Base Rate Loans

   [ ] c. Continuation of Eurodollar Loans as such

5. If Loans are being continued as or converted to Eurodollar Loans, the duration of the new Interest Period that commences on the conversion/continuation date shall be one month.

In the case of a conversion to or continuation of Eurodollar Loans, the undersigned officer, in his or her capacity as an officer of Borrower, to the best of his or her knowledge, and Borrower certify that no Event of Default has occurred and is continuing under the Credit Agreement.

DATED: _____

QUALITY HOME BRANDS HOLDINGS LLC

By: _____
Name:
Title: