Court File No. CV-19-620484-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. C-36, AS AMENDED

AND IN THE MATTER OF HOLLANDER SLEEP PRODUCTS LLC, HOLLANDER SLEEP PRODUCTS CANADA LIMITED, DREAM II HOLDINGS, LLC, HOLLANDER HOME FASHIONS HOLDINGS, LLC, PACIFIC COAST FEATHER, LLC, HOLLANDER SLEEP PRODUCTS KENTUCKY, LLC, AND PACIFIC COAST FEATHER CUSHION, LLC

APPLICATION OF HOLLANDER SLEEP PRODUCTS LLC UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

APPLICANT

MOTION RECORD

August 2, 2019

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APPLICATION OF HOLLANDER SLEEP PRODUCTS LLC UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

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APPLICANT

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TAB 1

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APPLICATION OF HOLLANDER SLEEP PRODUCTS LLC UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

APPLICANT

NOTICE OF MOTION

(Motion for Recognition of Certain Orders of the U.S. Court)
(Returnable August 6, 2019)

Hollander Sleep Products, LLC (the "**Foreign Representative**"), in its capacity as a foreign representative of itself as well as Dream II Holdings, LLC, Hollander Sleep Products Canada Limited ("**Hollander Canada**"), Hollander Home Fashions Holdings, LLC, Pacific Coast Feather, LLC, Hollander Sleep Products Kentucky, LLC and Pacific Coast Feather Cushion, LLC (collectively, the "**Chapter 11 Debtors**"), will make a motion to the Ontario Superior Court of Justice (Commercial List) on August 6, 2019 at 10:00 AM, or as soon thereafter as the motion can be heard at 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR:

1. An Order substantially in the form attached hereto as Schedule "A":

   (a) recognizing and enforcing pursuant to section 49 of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c C-36, as amended (the "**CCAA**") the terms of the following orders recently entered (or, in the case of the KERP Order, approved and expected to be entered prior to the hearing of this motion) by the United States Bankruptcy Court for the Southern District of New York (the "**U.S. Court**"):

      (i) Disclosure Statement Order,

      (ii) KERP Order,

      (iii) Houlihan Lokey Retention Order,

      (iv) the Houlihan Lokey Additional Services Order; and

      (v) Final DIP Term Order (all as defined below);

   (b) such further and other relief as this Honourable Court deems just.

THE GROUNDS FOR THE MOTION ARE:

The Chapter 11 Proceedings and the Canadian Proceedings

2. On May 19, 2019, each of the Chapter 11 Debtors filed voluntary petitions for relief pursuant to Chapter 11 of the U.S. Bankruptcy Code (the "**Chapter 11 Cases**") with the U.S. Court.

3. Concurrent with or shortly after the filing of the Petitions, the Chapter 11 Debtors also filed several "first day" motions (the "**First Day Motions**") with the U.S. Court and, on May 21, 2019 and June 3, 2019, the U.S. Court heard the First Day Motions, with certain "second day" motions (the "**Second Day Motions**") to be heard at a later date.

4. On May 22 and 23, 2019, the U.S. Court entered interim and/or final orders (the "**First Day Orders**") in respect of the First Day Motions.

5. On May 23, 2019, this Court granted an initial order (the "**Initial Recognition Order**") which, among other things, recognized the Chapter 11 Cases as "foreign main proceedings", recognized the appointment of the Foreign Representative, and granted related stays of proceedings in favour of the Chapter 11 Debtors, pursuant to Part IV of the CCAA.

6. Also on May 23, 2019, this Court granted a supplemental Order (the "**Supplemental Order**") which, among other things, recognized the Foreign Representative Order and certain other First Day Orders made by the U.S. Court in the "foreign main proceedings", appointed KSV Kofman Inc. as Information Officer, granted a charge in favour of the DIP ABL Agent and the DIP ABL Lenders in respect of the DIP ABL Facility, and an administration charge in the amount of $200,000 in favour of the Information Officer and its counsel.

7. By Order dated July 5, 2019, Justice Hainey recognized sixteen (16) Second Day Orders that had been entered by the U.S. Court on June 21, July 2 and July 3, 2019 (the "**Second Recognition Order**"), including the Bar Date Order, the Bid Procedures Order and the Final DIP ABL Order.

8. On July 10, July 19, July 25 and August 1, 2019, the U.S. Court entered the following Orders (or, in the case of the KERP Order, approved and expected to be entered prior to the hearing of this motion), which the Foreign Representative is seeking to have recognized through this Motion:

(a) Order (I) Approving (A) The Adequacy of Information in the Disclosure Statement, (B) Solicitation and Notice Procedures, and (C) Certain Dates with Respect to Plan Confirmation, and (II) Granting Related Relief ("**Disclosure Statement Order**");

(b) Order (A) Approving the Debtors' Key Employee Retention Plans and (B) Granting Related Relief ("**KERP Order**");

(c) Order (A) Authorizing the Employment and Retention of Houlihan Lokey Capital, Inc. as Financial Advisor and Investment Banker to the Debtors *Nunc Pro Tunc* to the Petition Date, (B) Approving the Terms of the Engagement Agreement, (C) Waiving Certain Time-Keeping Requirements, and (D) Granting Related Relief ("**Houlihan Lokey Retention Order**");

(d) Order Authorizing Additional Services of Houlihan Lokey Capital Inc. Pursuant to Order (A) Authorizing the Employment and Retention of Houlihan Lokey Capital, Inc. ("**Houlihan Lokey**") as Financial Advisor and Investment Banker to the Debtors *Nunc Pro Tunc* to the Petition Date, (B) Approving the Terms of the Engagement Agreement, (C) Waiving Certain Time-Keeping Requirements, and (D) Granting Related Relief ("**Houlihan Lokey Additional Services Order**"); and

(e) Final Order with Respect to DIP Term Loan Secured Parties and Prepetition Term Loan Secured Parties (A) Authorizing the Debtors to Obtain Postpetition Financing, (B) Authorizing the Debtors to Use Cash Collateral, (C) Granting Liens and Providing Superpriority Administrative Expense Status, (D) Granting Adequate Protection to the Prepetition Term Loan Secured Parties, (E) Modifying the Automatic Stay, and (F) Granting Related Relief ("**Final DIP Term Order**")

Recognition of the Disclosure Statement Order is Appropriate

9. The principal purpose of the Chapter 11 Proceedings is to implement a restructuring transaction for the Chapter 11 Debtors either through a debt-for-equity transaction with certain of the Chapter 11 Debtors' term loan lenders contemplated by the Plan and a restructuring support and settlement agreement dated as of May 19, 2019, as amended (the "**RSA**"), or pursuant to a superior going-concern transaction generated by the court-approved sale process being carried out by Houlihan Lokey.

10. To provide holders of impaired claims and interests in the Chapter 11 Debtors ("**Claimholders**") who are entitled to vote on the Plan with adequate information to make an informed judgment about the Plan, the Chapter 11 Debtors filed the Disclosure Statement with the U.S. Court on June 19, 2019. Revised versions of the Plan and the Disclosure Statement were filed with the U.S. Court on July 25, 2019.

11. The Disclosure Statement Order, among other things, approves the adequacy of information in the Disclosure Statement, establishes solicitation and notice procedures, approves certain dates with respect to Plan confirmation, and grants related relief.

12. Recognition of the Disclosure Statement Order is in the best interests of the Chapter 11 Debtors and their stakeholders as it will allow the Chapter 11 Debtors to move expeditiously through the Chapter 11 Proceedings to an efficient and value-maximizing conclusion.

Recognition of the KERP Order is Appropriate

13. The KERP Order approves the following two employee retention plans for 74 of the Chapter 11 Debtors' 2,370 employees (together, the "**Retention Plans**"):

(a) "stay bonuses" for 47 employees, three of which are employees of the Canadian Debtor; and

(b) an incentive plan for 27 employees at the US Debtors' plant in Thomson, Georgia, which is presently in the process of being shutdown.

14. The Retention Plans are necessary for the Chapter 11 Debtors to maintain stability in their operations and maintain enterprise value and are consistent with retention plans in similarly sized Chapter 11 cases.

Recognition of the Houlihan Lokey Retention Order and Houlihan Lokey Additional Services Order is Appropriate

15. The sale process is currently being carried out by Houlihan Lokey.

16. The Houlihan Lokey Retention Order authorizes the retention and employment of Houlihan Lokey as the Chapter 11 Debtors' financial advisor and investment banker *nunc pro tunc* on the terms and conditions set forth in the Engagement Agreement, as modified by the Houlihan Lokey Retention Order (as both are defined in the Houlihan Lokey Retention Order).

17. The Houlihan Lokey Additional Services Order approves Houlihan Lokey to provide certain analytical services to the Chapter 11 Debtors' disinterested director in his investigation of certain potential conflict matters between the Chapter 11 Debtors and their shareholders, officers and directors.

18. The Houlihan Lokey Retention Order and Houlihan Lokey Additional Services Order are in the best interests of the Chapter 11 Debtors' estates, their creditors, and other parties in interest.

Recognition of the Final DIP Term Order is Appropriate

19. Among other things, the Final DIP Term Order authorizes on a final basis the Chapter 11 Debtors (other than Hollander Canada) to obtain senior secured post-petition financing on a superpriority basis in aggregate principal amount of up to $28 million with Barings Finance LLC, as administrative agent, and the financial institutions who from time to time are a party thereto.

20. Notwithstanding that Hollander Canada is not a borrower under the DIP Term Loan, nor is it a guarantor, the Foreign Representative is seeking to recognize the Final DIP Term Order through this Motion as a matter of completeness, given that the first two Interim DIP Term Orders granted by the U.S. Court were recognized by the Ontario Court.

General

21. The CCAA, including Part IV and section 49 thereof; and

22. Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the application:

1. the Affidavit of Marc Pfefferle sworn August 2, 2019;

2. the Affidavit of Evan Barz sworn August 2, 2019;

3. the Pre-filing report of the Information Officer;

4. the First Report of the Information Officer;

5. the Second Report of the Information Officer, to be filed; and

6. Such further and other evidence as counsel may advise and this Honourable Court may permit.

August 2, 2019

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SCHEDULE A

SCHEDULE "A"

(Draft Recognition Order)

Court File No. CV-19-620484-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.	)	TUESDAY DAY, THE 6TH
	)	
JUSTICE HAINEY	)	DAY OF AUGUST, 2019

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

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APPLICATION OF HOLLANDER SLEEP PRODUCTS, LLC UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

RECOGNITION ORDER

THIS MOTION, made by Hollander Sleep Products, LLC ("**HSP**") in its capacity as the foreign representative (the "**Foreign Representative**") of HSP, Hollander Sleep Products Canada Limited, Dream II Holdings, LLC, Hollander Home Fashions Holdings, LLC, Pacific Coast Feather, LLC, Hollander Sleep Products Kentucky, LLC and Pacific Coast Feather Cushion, LLC (collectively, the "**Chapter 11 Debtors**" and each, a "**Chapter 11 Debtor**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an Order, among other things, recognizing certain orders granted by the United States Bankruptcy Court for the Southern District of New York (the "**U.S. Bankruptcy Court**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the affidavit of Marc Pfefferle sworn August 2, 2019 (the "**Third Pfefferle Affidavit**"), the report of KSV Kofman Inc., in its capacity as Information Officer, dated August 2, 2019 (the "**Second Report**"), each filed.

AND UPON HEARING the submissions of counsel for the Foreign Representative, counsel for the Information Officer, and those other parties present, no one else appearing although duly served as appears from the affidavits of service of ● sworn ●, 2019, filed:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that capitalized terms used herein and not otherwise defined have the meaning given to them in the Third Pfefferle Affidavit.

RECOGNITION OF FOREIGN ORDERS

3. **THIS COURT ORDERS** that the following orders (collectively, the "**Foreign Orders**") of the U.S. Bankruptcy Court made in the cases commenced by the Chapter 11 Debtors pursuant to Chapter 11 of the United States Bankruptcy Code are hereby recognized and given full force and effect in all provinces and territories of Canada pursuant to section 49 of the CCAA:

(a) *Order (I) Approving (A) the Adequacy of Information in the Disclosure Statement, (B) Solicitation and Notice Procedures, and (C) Certain Dates with Respect to Plan Confirmation, and (II) Granting Related Relief* (the "**Disclosure Statement Order**");

(b) *Order (A) Approving the Debtors' Key Employee Retention Plans and (B) Granting Related Relief* (the "**KERP Order**");

(c) *Order (A) Authorizing the Employment and Retention of Houlihan Lokey Capital, Inc., as Financial Advisor and Investment Banker to the Debtors Nunc Pro Tunc to the Petition Date, (B) Approving the Terms of the Engagement Agreement, (C) Waiving Certain Time-Keeping Requirements, and (D) Granting Related Relief* (the "**Houlihan Lokey Retention Order**");

(d) *Order Authorizing Additional Services of Houlihan Lokey Capital Inc. Pursuant to Order (A) Authorizing the Employment and Retention of Houlihan Lokey Capital, Inc., as Financial Advisor and Investment Banker to the Debtors Nunc Pro Tunc to the Petition Date, (B) Approving the Terms of the Engagement Agreement, (C) Waiving Certain Time-Keeping Requirements, and (D) Granting Related Relief* (the "**Houlihan Lokey Additional Services Order**"); and

(e) *Final Order with Respect to DIP Term Loan Secured Parties and Prepetition Term Loan Secured Parties (A) Authorizing the Debtors to Obtain Postpetition Financing, (B) Authorizing the Debtors to Use Cash Collateral, (C) Granting Liens and Providing Superpriority Administrative Expense Status, (D) Granting Adequate Protection to the Prepetition Term Loan Secured Parties, (E) Modifying the Automatic Stay, And (F) Granting Related Relief* (the "**Final DIP Term Order**"),

(copies of each such Foreign Orders are attached hereto as Schedules "A" to "E", respectively);

provided, however, that in the event of any conflict between the terms of the Foreign Orders and the Orders of this Court made in the within proceedings, the Orders of this Court shall govern with respect to the Property (as defined in the Supplemental Order).

INFORMATION OFFICER'S REPORT

4. **THIS COURT ORDERS** that the Second Report and the actions, conduct and activities of the Information Officer as described therein be and are hereby approved.

GENERAL

5. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States of America, to give effect to this Order and to assist the Chapter 11 Debtors, the Foreign Representative, the Information Officer, and their respective counsel and agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby

respectfully requested to make such orders and to provide such assistance to the Chapter 11 Debtors, the Foreign Representative and the Information Officer, the latter as an officer of this Court, as may be necessary or desirable to give effect to this Order, or to assist the Chapter 11 Debtors, the Foreign Representative, the Information Officer, and their respective counsel and agents in carrying out the terms of this Order.

6. **THIS COURT ORDERS** that each of the Chapter 11 Debtors, the Foreign Representative and the Information Officer be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

7. **THIS COURT ORDERS** that this Order shall be effective as of 12:01 a.m. Eastern Standard Time on the date of this Order.

_____

SCHEDULE A – DISCLOSURE STATEMENT ORDER

SCHEDULE B – KERP ORDER

SCHEDULE C – HOULIHAN LOKEY RETENTION ORDER

SCHEDULE D – HOULIHAN LOKEY ADDITIONAL SERVICES ORDER

SCHEDULE E – FINAL DIP TERM ORDER

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT,* R.S.C. 1985, C. C-36, AS AMENDED Court File No: CV-19-620484-00CL

AND IN THE MATTER OF HOLLANDER SLEEP PRODUCTS, LLC, HOLLANDER SLEEP PRODUCTS CANADA LIMITED, DREAM II HOLDINGS, LLC, HOLLANDER HOME FASHIONS HOLDINGS, LLC, PACIFIC COAST FEATHER, LLC, HOLLANDER SLEEP PRODUCTS KENTUCKY, LLC AND PACIFIC COAST FEATHER CUSHION, LLC

APPLICATION OF HOLLANDER SLEEP PRODUCTS, LLC UNDER SECTION 46 OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

Applicant

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Proceeding commenced at Toronto

RECOGNITION ORDER
(August 6, 2019)

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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. C-36, AS AMENDED

Court File No: CV-19-620484-00CL

AND IN THE MATTER OF HOLLANDER SLEEP PRODUCTS LLC, HOLLANDER SLEEP PRODUCTS CANADA LIMITED, DREAM II HOLDINGS, LLC, HOLLANDER HOME FASHIONS HOLDINGS, LLC, PACIFIC COAST FEATHER, LLC, HOLLANDER SLEEP PRODUCTS KENTUCKY, LLC, AND PACIFIC COAST FEATHER CUSHION, LLC

APPLICATION OF HOLLANDER SLEEP PRODUCTS LLC UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

Ontario
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

NOTICE OF MOTION

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TAB 2

Court File No. CV-19-620484-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. C-36, AS AMENDED

AND IN THE MATTER OF HOLLANDER SLEEP PRODUCTS, LLC, HOLLANDER SLEEP PRODUCTS CANADA LIMITED, DREAM II HOLDINGS, LLC, HOLLANDER HOME FASHIONS HOLDINGS, LLC, PACIFIC COAST FEATHER, LLC, HOLLANDER SLEEP PRODUCTS KENTUCKY, LLC, AND PACIFIC COAST FEATHER CUSHION, LLC

APPLICATION OF HOLLANDER SLEEP PRODUCTS LLC UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

APPLICANT

AFFIDAVIT OF MARC PFEFFERLE

(Sworn August 2, 2019)

I, Marc Pfefferle, of the Town of Westport, Connecticut, United States of America, **MAKE OATH AND SAY:**

1. I am the Chief Executive Officer ("**CEO**") of Hollander Sleep Products, LLC ("**Hollander Sleep Products**" or the "**Foreign Representative**") and the six (6)[1] other debtors in possession

[1] In addition to Hollander Sleep Products, the other six (6) Chapter 11 Debtors are: Dream II Holdings, LLC; Hollander Home Fashions Holdings, LLC; Pacific Coast Feather, LLC; Hollander Sleep Products Kentucky, LLC; Pacific Coast Feather Cushion, LLC; and Hollander Sleep Products Canada Limited ("**Hollander Canada**").

that recently filed voluntary petitions for relief pursuant to Chapter 11 of the U.S. Bankruptcy Code (the "**Chapter 11 Debtors**"). I am also a Partner at Carl Marks Advisors ("**Carl Marks**"), an investment bank that provides financial and operational services, where I have worked since 1992. I have served as CEO of Hollander Sleep Products since March 28, 2019 when I was retained by the Chapter 11 Debtors and their non-debtor affiliates. Before joining Carl Marks, I was a Partner with Marigold Associates, a strategic management consulting firm serving Fortune 100 companies, and before that I worked for Price Waterhouse LLP. I have over thirty years of experience providing restructuring and reorganization services for companies, creditors, and other stakeholders across a variety of industries, including consumer products, retail, manufacturing, and distribution related businesses.

2. As such, I have personal knowledge of the matters to which I depose in this Affidavit, save and except where I refer to matters based on information and belief, in which case I have stated the source of my information and, in all such cases, I believe that information to be true. In preparing this Affidavit, I consulted with the Chapter 11 Debtors' management team and advisors (including the Carl Marks team working under my supervision) and reviewed relevant documents and information concerning the Chapter 11 Debtors' operations, financial affairs and restructuring initiatives.

3. I swear this Affidavit in support of a motion by Hollander Sleep Products in its capacity as foreign representative of the Chapter 11 Debtors for an Order recognizing and enforcing the following Orders recently entered (or, in the case of the KERP Order, approved and expected to be entered prior to the hearing of this motion) by the United States Bankruptcy Court for the Southern District of New York (the "**U.S. Court**"): (i) the Disclosure Statement Order, (ii) the KERP Order, (iii) the Houlihan Lokey Retention Order, (iv) the Houlihan Lokey Additional

Services Order, and (v) the Final DIP Term Order (all as defined below). I am aware that copies of such Orders will be attached to the Affidavit of Evan Barz (the "**Third Barz Affidavit**"), an associate lawyer with the law firm Osler, Hoskin & Harcourt LLP, Canadian counsel to the Chapter 11 Debtors, and will be filed with the Ontario Court (as defined below) at or before the hearing of this motion.

4. Capitalized terms used herein and not otherwise defined shall have the meaning given to them in my affidavits sworn May 23, 2019 (the "**Initial Affidavit**") and July 3, 2019 (the "**Second Pfefferle Affidavit**" and, together with the Initial Affidavit, the "**Pfefferle Affidavits**"), copies of which are attached hereto without exhibits as Exhibit "A" and Exhibit "B", respectively. All dollar references in this Affidavit are in U.S. dollars unless otherwise specified.

A. Background

5. On May 19, 2019 (the "**Petition Date**"), each of the Chapter 11 Debtors filed voluntary petitions for relief (the "**Petitions**") pursuant to Chapter 11 of the U.S. Bankruptcy Code with the U.S. Court (the "**Chapter 11 Cases**").

6. Concurrent with or shortly after the filing of the Petitions, the Chapter 11 Debtors also filed several "first day" motions (the "**First Day Motions**") with the U.S. Court. On May 22 and 23, 2019, the U.S. Court entered nine (9) interim and/or final orders (the "**First Day Orders**") in respect of the First Day Motions heard on May 21, 2019.

7. By Order dated May 23, 2019, the Honourable Justice Hainey of the Ontario Superior Court of Justice (Commercial List) (the "**Ontario Court**") recognized the Chapter 11 Cases as "foreign main proceedings" (the "**CCAA Recognition Proceedings**"), recognized the appointment of the Foreign Representative, and granted related stays of proceedings in favour of

the Chapter 11 Debtors (the "**Initial Recognition Order**"). Attached as Exhibit "C" hereto is a copy of the Initial Recognition Order (without exhibits) and attached as Exhibit "D" hereto is a copy of Justice Hainey's May 30, 2019 Endorsement.

8. Also by Order dated May 23, 2019, Justice Hainey recognized seven (7) of the nine (9) First Day Orders that were entered by the U.S. Court on May 22 and 23, 2019 (the "**Supplemental Order**").[2] The Supplemental Order also appointed KSV Kofman Inc. as Information Officer in respect of the CCAA Recognition Proceedings, granted a charge in favour of the DIP ABL Agent and the DIP ABL Lenders in respect of the DIP ABL Facility, and an administration charge in the amount of $200,000 in favour of the Information Officer and its counsel. Attached as Exhibit "E" hereto is a copy of the Supplemental Order (without exhibits).

9. On May 30, 2019, the U.S. Trustee filed a Notice of Appointment of Official Committee of Unsecured Creditors, notifying parties in interest that the U.S. Trustee had appointed an Official Committee of Unsecured Creditors (the "**UCC**").

10. By Order dated July 5, 2019, Justice Hainey recognized sixteen (16) Second Day Orders that had been entered by the U.S. Court on June 21, July 2 and July 3, 2019 (the "**Second Recognition Order**"), including the Bar Date Order, the Bid Procedures Order and the Final DIP ABL Order.[3] A copy of the Second Recognition Order is attached hereto as Exhibit "F" (without exhibits).

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[2] The Supplemental Order recognized the following seven (7) First Day Orders: (a) Joint Administration Order; (ii) Foreign Representative Order; (iii) Interim Employee Wages Order; (iv) Interim Cash Management Order; (v) Interim DIP Order; (vi) Interim Critical Vendors and Shippers Order; and (vii) Interim Customer Programs Order. The remaining two First Day Orders entered by the U.S. Court on May 22 and 23, 2019 did not need to be recognized by the Ontario Court.

[3] The Second Recognition Order recognized the following sixteen (16) Second Day Orders: (i) the Insurance Order; (ii) the Surety Bond Order; (iii) the Bid Procedures Order; (iv) the Final Critical Vendors Order; (v) the Final Wages Order; (vi) the Carl Marks Order; (vii) the Final Cash Management Order; (viii) the Final Customer

B. Update on the Chapter 11 Cases

11. Since the Second Pfefferle Affidavit was sworn, the Chapter 11 Debtors continue to advance their restructuring objectives and continue to operate in the ordinary course as contemplated in the Chapter 11 Cases. Among other things:

(a) On July 10, 2019, the U.S. Court entered an Order: (a) authorizing the retention of Houlihan Lokey Capital, Inc. ("**Houlihan Lokey**") as financial advisor and Investment Banker to the Debtors *nunc pro tunc*; (b) approving the terms of the engagement agreement; (c) waiving certain time-keeping requirements, and (d) granting related relief (the "**Houlihan Lokey Retention Order**"). The Houlihan Lokey Retention Order authorizes the retention and employment of Houlihan Lokey as the Chapter 11 Debtors' financial advisor and investment banker *nunc pro tunc* on the terms and conditions set forth in the Engagement Agreement, as modified by the Houlihan Lokey Retention Order (as both are defined in the Houlihan Lokey Retention Order). The Foreign Representative is seeking to recognize the Houlihan Lokey Retention Order through this Motion. A copy of the Houlihan Lokey Retention Order is attached to the Third Barz Affidavit as Exhibit "F".

(b) In accordance with the Bidding Procedures, on or before July 15, 2019, the Chapter 11 Debtors received Preliminary Bid Documents from six (6) Potential Bidders in respect of the Assets. As of yet, none of the bids have contemplated an acquisition

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Programs Order; (ix) the Final DIP ABL Order; (x) the Final Tax Order; (xi) the Utilities Order; (xii) the Professionals Order; (xiii) the OMNI Order; (xiv) the Case Management Order; (xv) the Second Interim DIP Term Order; and (xvi) the Bar Date Order.

of Hollander Canada's business and assets on a standalone basis. The Chapter 11 Debtors are presently working with certain of these bidders to facilitate their due diligence. The deadline for bidders to submit Qualified Bids is August 8, 2019, although that date may be modified by agreement with the Consultation Parties.

(c) On July 19, 2019, the U.S. Court entered a final order with respect to the DIP term loan secured parties and prepetition term loan secured parties (a) authorizing the Chapter 11 Debtors to obtain post-petition financing, (b) authorizing the Chapter 11 Debtors to use cash collateral, (c) granting liens and providing superpriority administrative expense status, (d) granting adequate protection to the prepetition term loan secured parties, (e) modifying the automatic stay, and (f) granting related relief (the "**Final DIP Term Order**"). Among other things, the Final DIP Term Order authorizes, on a final basis, the Chapter 11 Debtors (other than Hollander Canada) to obtain senior secured post-petition financing on a superpriority basis in aggregate principal amount of up to $28 million pursuant to that certain superpriority secured debtor-in-possession term loan credit agreement with Barings Finance LLC, as administrative agent, and the financial institutions who from time to time are a party thereto. Notwithstanding that Hollander Canada is not a borrower under the DIP Term Loan, nor is it a guarantor, the Foreign Representative is seeking to recognize the Final DIP Term Order as a matter of completeness, given that the first two Interim DIP Term Orders granted by the U.S. Court were recognized by the Ontario Court. A copy of the Final DIP Term Order is attached to the Third Barz Affidavit as Exhibit "H".

(d) On July 21, 2019, the Chapter 11 Debtors filed a motion with the U.S. Court for entry of an Order (i) authorizing the Chapter 11 Debtors to assume the Amended and Restated Restructuring Support and Settlement Agreement dated as of July 21, 2019 (the "**Amended RSA**"), (ii) approving the settlements and compromises contained therein, and (iii) granting related relief (the "**RSA Motion**"). A copy of the RSA Motion is attached hereto as Exhibit "G". The Amended RSA is the outcome of numerous good faith settlement negotiations among the UCC, the Chapter 11 Debtors, the Consenting Term Loan Lenders (as defined in the RSA Motion) and Sentinel. The Amended RSA and the Plan reflect a global compromise with the UCC (the "**Plan Settlement**") and, as a result, the Plan is now supported by all major creditor constituencies. The Plan Settlement, which is embodied in the Amended RSA and the Plan, contemplates specified recoveries to the unsecured creditors of the Chapter 11 Debtors in either a reorganization, third party sale or liquidation scenario. On August 1, 2019, the RSA Motion was heard by the U.S. Court. The U.S. Court raised certain issues that require resolution prior to approving the Amended RSA. Accordingly, the Chapter 11 Debtors engaged in negotiations with the parties to the Amended RSA in an effort to agree on further amendments to the Amended RSA to address the issues raised by the U.S. Court. Once these amendments have been executed and the Chapter 11 Debtors have provided notice of such amendments to interested parties, the Chapter 11 Debtors intend to return to the U.S. Court for approval of the Amended RSA. Following approval by the U.S. Court, the Foreign Representative will seek recognition of the U.S. Court's order in these proceedings.

(e) On July 25, 2019, the U.S. Court entered an Order approving the Disclosure Statement pursuant to section 1125 of the Bankruptcy Code (the "**Disclosure Statement Order**"), all as described in greater detail below. The Foreign Representative is seeking to recognize the Disclosure Statement Order through this Motion.

(f) On August 1, 2019, the U.S. Court entered an Order authorizing additional services of Houlihan pursuant to the Houlihan Retention Order (the "**Houlihan Lokey Additional Services Order**"). The Houlihan Lokey Additional Services Order approves Houlihan Lokey to provide certain analytical services to the Chapter 11 Debtors' disinterested director in his investigation of certain potential conflict matters between the Chapter 11 Debtors and their shareholders, officers and directors. The Foreign Representative is seeking to recognize the Houlihan Lokey Additional Services Order through this Motion. A copy of the Houlihan Lokey Additional Services Order is attached to the Third Barz Affidavit as Exhibit "G".

(g) On August 1, 2019, the U.S. Court heard a motion (the "**KERP Motion**") seeking an Order (the "**KERP Order**") approving the Chapter 11 Debtors' key employee retention plan ("**Hollander Retention Plan**") and retention payments to certain employees involved in the closure of the Chapter 11 Debtors' Thomson, Georgia plant ("**Georgia Retention Plan**" and together with the Hollander Retention Plan, the "**Retention Plans**") and certain related relief.[4] The Retention Plans are necessary for the Chapter 11 Debtors to maintain stability in their operations and

[4] Although not applicable to the Canadian operations of the Chapter 11 Debtors, the Georgia Retention Plan was approved by the U.S. Court pursuant to the same Order as the Hollander Retention Plan and is therefore referred to herein for completeness.

maintain enterprise value and is consistent with retention plans in similarly sized Chapter 11 cases. The Retention Plans provide for payment of awards to 74 of the Chapter 11 Debtors' non-insider employees (each a "**Participant"**, and, collectively, the "**Participants**"), including 47 Participants under the Hollander Retention Plan (of which three (3) are employees of Hollander Canada) and 27 Participants under the Georgia Retention Plan. No participant is an officer or director (as such terms are normally understood), but instead play vital rank-and-file functions for the Chapter 11 Debtors' business. The total amount of the awards to be paid out under the Retention Plans is $554,000 and not one individual payment award exceeds $20,000. The departure of any of the Participants during the Chapter 11 Cases would likely result in disruption to the ongoing operations thereby interfering with the Chapter 11 Debtors' restructuring process. As a result, the Chapter 11 Debtors brought the KERP Motion on the basis that implementation of the Retention Plans is necessary and appropriate and in the best interests of the Chapter 11 Debtors and their stakeholders. At the August 1, 2019 hearing, the U.S. Court approved the KERP Order in substance, subject to certain minor modifications requested to be made to the proposed KERP Order. As of the time of the swearing of this Affidavit, the KERP Order has not been entered by the U.S. Court, however this is expected to occur prior to the hearing of the present motion. Accordingly, a copy of the draft KERP Order submitted to the U.S. Court for entry is attached to the Third Barz Affidavit as Exhibit "D". I understand that Canadian counsel to the Chapter 11 Debtors will bring a copy of the entered KERP Order to the Ontario Court at the hearing of this Motion, provided that it is entered by the U.S. Court before August 6, 2019. If the KERP Order has not been entered by

August 6, 2019, the Foreign Representative will return to this Court at a later date to seek recognition of the entered KERP Order.

C. Disclosure Statement Order

12. As described in the Pfefferle Affidavits, the Plan provides for two potential outcomes. The first is a reorganization, which will equitize $166.5 million of the Chapter 11 Debtors prepetition funded debt obligations through a debt-for-equity transaction with certain of the Term Loan Lenders. The second is a sale (or combination of sales), effected through a "toggle" feature built into the Plan, of the Chapter 11 Debtors' assets to a third party (or third parties) identified in the sale process presently being carried out by Houlihan Lokey, which sale would be accomplished through the Plan. The Chapter 11 Debtors' believe that concurrently pursuing both options will allow the Chapter 11 Debtors to maximize the value of their assets, provide certainty for stakeholders that their business operations will continue as a going concern, and expeditiously distribute value to their stakeholders.

13. The Chapter 11 Debtors filed an initial version of the Plan with the U.S. Court on May 19, 2019.

14. On June 19, 2019, the Chapter 11 Debtors filed an initial version of the Disclosure Statement for the Plan with the U.S. Court. The purpose of the Disclosure Statement is to provide holders of claims and interests in the Chapter 11 Debtors to be impaired by the Plan ("**Claimholders**") with adequate information in order to make an informed judgment when voting to accept or reject the Plan.

15. On June 19, 2019, the Chapter 11 Debtors also filed a motion seeking approval of the Disclosure Statement Order, a copy of which is attached to the Third Barz Affidavit as Exhibit "A".

16. On July 25, 2019, the U.S. Court entered the Disclosure Statement Order, a copy of which is attached to the Third Barz Affidavit as Exhibit "B". Revised solicitation versions of the Plan and the Disclosure Statement, which reflect the terms of the Plan Settlement, were filed with the U.S. Court on July 25, 2019, copies of which are attached to this affidavit as Exhibit "H" and "I" respectively.

17. Key elements of the Disclosure Statement Order are as follows:

(a) The Plan contemplates classifying Claimholders into certain Classes of Claims and Interests (both as defined in the Plan) for all purposes, including with respect to voting on the Plan. The following chart represents the Classes of Claims and Interests under the Plan:

Class	**Claim/Interest**	**Status**	**Voting Rights**
1	Other Priority Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
2	Other Secured Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
3	Secured Tax Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
4	Term Loan Claims	Impaired	Entitled to Vote
5	General Unsecured Claims	Impaired	Entitled to Vote
6	Intercompany Claims	Impaired or Unimpaired	Not Entitled to Vote (Deemed to Reject)
7	Intercompany Interests	Impaired or Unimpaired	Not Entitled to Vote (Deemed to Accept or Reject)
8	Interests in Dream II	Impaired	Not Entitled to Vote (Deemed to Reject)
9	Section 510(b) Claims	Impaired	Not Entitled to Vote (Deemed to Reject)

The Disclosure Statement Order approves the process whereby the Chapter 11 Debtors will solicit votes to accept or reject the Plan from Claimholders in Classes 4 and 5 (collectively, the "**Voting Classes**") and further approves the Chapter 11 Debtors not soliciting votes from Claimholders in Classes 1, 2, 3, 6, 7, 8, 9 and 10 (collectively, the "**Non-Voting Classes**").

(b) The Disclosure Statement Order approves the information contained within the Disclosure Statement as providing "adequate information" to allow Claimholders in the Voting Classes to make an informed decision about whether to vote to accept or reject the Plan. Specifically, the Disclosure Statement contains a number of categories of information, including:

(i) ***The Chapter 11 Debtors' Corporate History, Structure, and Business Overview.*** A detailed overview of the Chapter 11 Debtors' corporate history, business operations and capital structure, including with respect to Hollander Canada.

(ii) ***Events Leading to the Chapter 11 Filings.*** A detailed overview of the Chapter 11 Debtors' restructuring efforts and the negotiations with respect to the Plan and the Amended RSA.

(iii) ***Projected Financial Information and Liquidation Analysis.*** Certain projected financial information and a liquidation analysis.

(iv) ***Risk Factors.*** Certain risks associated with the Chapter 11 Debtors' businesses, as well as certain risks associated with forward-looking statements and an overall disclaimer as to the information provided by and set forth in the Disclosure Statement.

(v) ***Solicitation and Voting Procedures.*** A description of the Solicitation and Voting Procedures to accept or reject the Plan and voting on the Plan. The Solicitation and Voting Procedures set forth specific criteria with respect to the general tabulation of customized ballots for each Voting Class (collectively, the "**Ballots**"), voting procedures applicable to Claimholders, and tabulation of such votes.

(vi) ***Confirmation of the Plan.*** Confirmation and statutory requirements for confirmation and consummation of the Plan.

(vii) ***Certain United States and Canadian Federal Income Tax Consequences of the Plan.*** A description of certain U.S. and Canadian federal income tax law consequences of the Plan.

(viii) ***Recommendation.*** A recommendation by the Chapter 11 Debtors that Claimholders in the Voting Classes vote to accept the Plan. The Disclosure Statement also includes a support letter from the UCC, which recommends that Claimholders in the Voting Classes vote to accept the Plan.

(c) The Disclosure Statement Order approves the detailed description contained in the Disclosure Statement of the entities subject to an injunction under the Plan and the acts that they are enjoined from pursuing, including language related to the Debtor Release, the Third-Party Release (both as defined in the Plan), exculpation and injunction under the Plan.

(d) In addition to those dates previously approved by the U.S. Court through the Bid Procedures Order, the Disclosure Statement Order establishes the following

milestones and deadlines to govern the process for soliciting, receiving and tabulating votes on the Plan (the "**Solicitation Timeline**"):

Item	Date
"**Voting Record Date**" – date for determining (a) Claimholders that are entitled to vote on the Plan and (b) whether Claims have been properly transferred, such that the assignee may vote on the Plan.	July 29, 2019
"**Solicitation Deadline**" – deadline for distributing Solicitation Packages (as defined below), including Ballots, to Claimholders entitled to vote to accept or reject the Plan.	July 31, 2019
"**Voting Deadline**" – deadline by which all Ballots must be properly executed, completed and delivered so that they are actually received by the Chapter 11 Debtors solicitation agent (the "**Solicitation Agent**").	August 28, 2019 at 4:00 p.m., prevailing Eastern Time
"**Confirmation Brief and Reply Deadline**" – deadline to file a brief in support of confirmation of the Plan and/or a reply to any objections to confirmation of the Plan.	September 3, 2019, at 9:00 a.m., prevailing Eastern Time
"**Deadline to File Voting Report"** – the date by which the "**Voting Report**" must be filed. The Voting Report is a certification of votes, which, among other things, certifies in writing the amount and number of Allowed Claims or Allowed Interests (as defined in the Plan) of each Class accepting or rejecting the Plan, and delineates every Ballot that does not conform to the voting instructions or that contains any form of irregularity.	September 3, 2019, at 9:00 a.m., prevailing Eastern Time
"**Confirmation Hearing**" – the date for the U.S. Court to consider confirmation of the Plan.	September 4, 2019, at 11:00 a.m., prevailing Eastern Time

The Solicitation Timeline will afford the Chapter 11 Debtors and all parties in interest reasonable time to review and consider the Plan and the Disclosure Statement prior to the Confirmation Hearing.

(e) The Disclosure Statement Order approves the form of the Ballots (copies of which are attached as Exhibit 2A-2B to the Disclosure Statement Order).

(f) The Disclosure Statement Order approves the form and manner of notice of the hearing to consider confirmation of the Plan (the "**Confirmation Hearing Notice**") (a copy of which is attached as Exhibit 7 to the Disclosure Statement Order). The Confirmation Hearing Notice was published in *The Globe and Mail* (national edition) on August 1, 2019, and a copy of such published notice is attached to this affidavit as Exhibit "J".

(g) The Disclosure Statement Order approves the materials to be distributed to holders of allowed claims and/or equity interests (the "**Solicitation Package**"). The Solicitation Package includes:

(i) a copy of the Solicitation and Voting Procedures;

(ii) a Ballot, together with detailed voting instructions and a pre-addressed, postage pre-paid return envelope;

(iii) a cover letter from the Chapter 11 Debtors, (a) describing the contents of the Solicitation package and (b) recommending that Claimholders in each of the Voting Classes vote to accept the Plan;

(iv) the Disclosure Statement (and exhibits thereto, including the Plan);

(v) the Disclosure Statement Order (without exhibits);

(vi) the Confirmation Hearing Notice; and

(vii) The Committee Support Letter, which provides the basis for the UCC's recommendation to vote to accept the Plan.

(h) Non-Voting Classes are not entitled to vote on the Plan. As a result, they will not receive Solicitation Packages. Instead, the Disclosure Statement Order approves the Chapter 11 Debtors providing Non-Voting Status Notices (as defined below) to certain Non-Voting Classes. Specifically, the Chapter 11 Debtors will provide the following notices to Claimholders in Non-Voting Classes (each, a "**Non-Voting Status Notice**" and, collectively, the "**Non-Voting Status Notices**"):

(i) ***Unimpaired Claims—Conclusively Presumed to Accept.*** Claimholders in Classes 1, 2 and 3 are not impaired under the Plan and, therefore, are conclusively presumed to have accepted the Plan. As such, such Claimholders will receive a notice, substantially in the form attached as Exhibit 3 to the Disclosure Statement Order, in lieu of a Solicitation Package.

(ii) ***Other Interests and Claims—Deemed to Reject.*** Claimholders in Classes 8 and 9 will not receive any distributions under the Plan and, therefore, are deemed to reject the Plan and will receive a notice, substantially in the form attached as Exhibit 4 to the Disclosure Statement Order, in lieu of a Solicitation Package.

(iii) ***Disputed Claims.*** Claimholders that are subject to a pending objection by the Chapter 11 Debtors are not entitled to vote the disputed portion of their claim. As such, such Claimholders will receive a notice, substantially in the form attached as Exhibit 5 to the Disclosure Statement Order.

Each of the Non-Voting Status Notices will include, among other things: (a) instructions as to how to view or obtain copies of the Disclosure Statement (including the Plan and the other exhibits thereto), the Disclosure Statement Order, and all other materials in the Solicitation Package (excluding Ballots); (b) notice of the Plan Objection Deadline; and (c) notice of the Confirmation Hearing and information related thereto. Pursuant to the Disclosure Statement Order, the Chapter 11 Debtors are not required to send Solicitation Packages or other solicitation materials to Claimholders in Class 6 (Intercompany Claims) and Class 7 (Intercompany Interests).

18. In granting the Disclosure Statement Order, the U.S. Court found, among other things, that:

(a) The Disclosure Statement provides Claimholders entitled to vote on the Plan with adequate information to make an informed decision as to whether to vote to accept or reject the Plan; and

(b) The Chapter 11 Debtors provided adequate and sufficient notice of the hearing to consider approval of the Disclosure Statement, the manner in which a copy of the Disclosure Statement (and exhibits thereto, including the Plan) could be obtained, and the time fixed for filing objections thereto.

19. The DIP ABL Credit Agreement requires that the Chapter 11 Debtors obtain approval from the Ontario Court of the Disclosure Statement Order within three (3) business days of the entry of the Disclosure Statement Order by the U.S. Court. However, in light of the fact that the RSA Motion and KERP Motion were scheduled to be heard by the U.S. Court on August 1, 2019 and the corresponding order approving the Amended RSA and the KERP Order would also need to be recognized by the Ontario Court, the DIP ABL Lenders agreed on July 25, 2019 to extend the

timeline for recognition of the Disclosure Statement Order by the Ontario Court until August 6, 2019. Therefore, it is critical that the Foreign Representative obtain recognition of the Disclosure Statement Order by August 6, 2019 in order to satisfy this milestone and avoid a default under the DIP ABL Credit Agreement. As indicated in the Second Pfefferle Affidavit, the Foreign Representative intends to return to the Ontario Court at a later date to recognize any Order of the U.S. Court confirming the Plan. As referenced above, the Foreign Representative also intends to return to the Ontario Court following approval by the U.S. Court of the Amended RSA.

SWORN BEFORE ME at the Town of Westport in the State of Connecticut on August 2, 2019.

MARC PFEFFERLE

ROBERT E COLAPIETRO
Notary Public
Connecticut
My Commission Expires Feb 28, 2022

THIS IS EXHIBIT "A" REFERRED TO IN THE AFFIDAVIT OF MARC PFEFFERLE SWORN ON AUGUST 2, 2019.

ROBERT E COLAPIETRO
Notary Public
Connecticut
My Commission Expires Feb 28, 2022

Court File No. CV-19-620484-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. C-36, AS AMENDED

AND IN THE MATTER OF HOLLANDER SLEEP PRODUCTS LLC, HOLLANDER SLEEP PRODUCTS CANADA LIMITED, DREAM II HOLDINGS, LLC, HOLLANDER HOME FASHIONS HOLDINGS, LLC, PACIFIC COAST FEATHER, LLC, HOLLANDER SLEEP PRODUCTS KENTUCKY, LLC, AND PACIFIC COAST FEATHER CUSHION, LLC

APPLICATION OF HOLLANDER SLEEP PRODUCTS LLC UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

APPLICANT

AFFIDAVIT OF MARC PFEFFERLE

(Sworn May 23, 2019)

I, Marc Pfefferle, of the Town of Westport, Connecticut, United States of America, **MAKE OATH AND SAY:**

1. I am the Chief Executive Officer ("**CEO**") of Hollander Sleep Products, LLC ("**Hollander Sleep Products**") and the six (6)[1] other debtors in possession that recently filed voluntary petitions for relief pursuant to Chapter 11 of the U.S. Bankruptcy Code (the "**Chapter 11 Debtors**"). I am

[1] In addition to Hollander Sleep Products, the other six (6) Chapter 11 Debtors are: Dream II Holdings, LLC; Hollander Home Fashions Holdings, LLC; Pacific Coast Feather, LLC; Hollander Sleep Products Kentucky, LLC; Pacific Coast Feather Cushion, LLC; and Hollander Sleep Products Canada Limited.

a Partner at Carl Marks Advisors ("**Carl Marks**"), an investment bank that provides financial and operational services, and have served as CEO of Hollander Sleep Products since March 28, 2019 when I was retained by the Chapter 11 Debtors and the their Non-Debtor Affiliates (defined below). I have been with Carl Marks since 1992. Before joining Carl Marks, I was a Partner with Marigold Associates, a strategic management consulting firm serving Fortune 100 companies, and before that I worked for Price Waterhouse LLP. I have over thirty years of experience providing restructuring and reorganization services for companies, creditors, and other stakeholders across a variety of industries, including consumer products, retail, manufacturing, and distribution related businesses.

2. As such, I have personal knowledge of the matters to which I depose in this Affidavit, save and except where I refer to matters based on information and belief, in which case I have stated the source of my information and, in all such cases, I believe that information to be true. In preparing this Affidavit, I consulted with the Chapter 11 Debtors' management team and advisors (including the Carl Marks team working under my supervision) and reviewed relevant documents and information concerning the Chapter 11 Debtors' operations, financial affairs and restructuring initiatives.

3. I swear this Affidavit in support of an application by Hollander Sleep Products in its capacity as foreign representative of the Chapter 11 Debtors for, *inter alia*:

(a) recognition of the Chapter 11 Cases (defined below) as foreign main proceedings pursuant to Part IV of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**");

(b) recognition of certain First Day Orders (defined below);

(c) the appointment of KSV Kofman Inc. ("**KSV**") as Information Officer;

(d) the granting of the DIP ABL Charge (defined below); and

(e) the granting of the Administration Charge (defined below).

4. All monetary references in this Affidavit are in U.S. dollars unless otherwise stated.

I. Background

5. On May 19, 2019 (the "**Petition Date**"), each of the Chapter 11 Debtors filed voluntary petitions for relief (the "**Petitions**") pursuant to Chapter 11 of the U.S. Bankruptcy Code with the United States Bankruptcy Court for the Southern District of New York (the "**U.S. Court**").

6. I am aware that certified copies of the Petitions will be attached to the affidavit of Evan Barz (the "**Barz Affidavit**"), an associate lawyer with the law firm Osler, Hoskin & Harcourt LLP ("**Osler**"), Canadian counsel to the Chapter 11 Debtors, and will be provided to the Court at or before the hearing of this Application.

7. The cases commenced by the Chapter 11 Debtors in the U.S. Court are referred to in this Affidavit as the "**Chapter 11 Cases**".

8. The Chapter 11 Debtors filed several first day motions (the "**First Day Motions**") with the U.S. Court on May 19, 2019. On May 21, 2019, the U.S. Court heard the following seven (7) First Day Motions (all defined below), with the remaining First Day Motions to be heard on June 3, 2019 and/or June 13, 2019:

(a) Foreign Representative Motion;

(b) Joint Administration Motion;

(c) Employee Wages Motion;

(d) Cash Management Motion;

(e) DIP Motion;

(f) Critical Vendors and Shippers Motion; and

(g) Customer Programs Motion.

9. The U.S. Court entered interim and/or final First Day Orders (as defined below) in respect of these seven (7) First Day Motions on May 22 and 23, 2019.

10. Capitalized terms in this Affidavit that are not otherwise defined have the meanings given to them in my declaration filed in support of the First Day Motions attached hereto without exhibits as Exhibit "A" (the "**First Day Declaration**").

11. I am aware that copies of the First Day Orders will be attached to the Barz Affidavit.

12. In support of the First Day Motions, I submitted my First Day Declaration to the U.S. Court. It provides a comprehensive overview of the Chapter 11 Debtors and their Non-Debtor Affiliates[2] (collectively, "**Hollander**") and the events leading to the commencement of the Chapter 11 Cases. As such, this Affidavit provides a more general overview and focuses on giving this Court information to support the finding of the centre of main interest ("**COMI**") of each of the Chapter 11 Debtors and to support the request for recognition of the Chapter 11 Cases as a "foreign main proceeding", the recognition of the First Day Orders, the granting of the Administration

[2] As described in more detail below, the Non-Debtor Affiliates are Hollander Sleep Products Trading (Shanghai) Co., Ltd. and PCF (Shanghai) Quality Management Co., Ltd.

Charge, and the granting of the DIP ABL Charge. I am not aware of any other foreign recognition insolvency proceedings involving the Chapter 11 Debtors.

II. The Business

A. Overview

13. Hollander – an industry leader in the bedding products market – manufactures, among other bedding products, pillows, comforters, and mattress pads. Hollander produces these items for well-known licensed brands, including Ralph Lauren®, Simmons®, Beautyrest®, Nautica®, and Calvin Klein®. Hollander also owns and manufactures bedding products under its own proprietary brands, including Great Sleep®, I AM®, LC®, PCF®, and Restful Nights®. Hollander, in turn, partners with major retailers and hotel chains, including long standing relationships with, among others, Costco, Kohl's, Walmart, Target, and Marriott.

14. The corporate headquarters of Hollander are in Boca Raton, Florida. Hollander has 13 manufacturing facilities throughout the United States and Canada and operates a primary show room in New York City. Hollander employs over 2,300 people across North America and had approximately $526.9 million in net revenue in its most recent fiscal year ended December 31, 2018. As of the Petition Date, Hollander has approximately $233 million in funded debt.

15. Core to Hollander's business model is its ability to innovate and provide improved products. Recent innovations include asthma-sensitive natural-fill bedding products, memory foam substitutes with increased flexibility and comfort, and cooling and air-flow technology to help with the heat trapping in certain bedding materials. Investments in product development attract new customers and provide for increased profit margins over time. To support innovation and product development, Hollander utilizes a development team with diverse backgrounds in

industries such as home products, apparel and packaging, who in turn work with graphic designers, sales and marketing professionals and senior management to ensure they are capturing customer needs, product specifications and appropriate costs in developing new products.

16. Hollander also has a competitive advantage because of its well-established global production and shipping processes. Hollander works with a network of suppliers and purchases materials including polyester fibers, fabrics, pillow and comforter shells and certain retail-ready products. A significant portion of these products are purchased from China, Pakistan and India, as well as Indonesia, South Korea, Vietnam, Malaysia and the United Arab Emirates. Hollander consistently monitors and works to develop new sourcing opportunities to maximize quality and minimize inventory procurement costs.

17. Hollander has the industry's largest manufacturing and distribution footprint in North America. Filling, final sewing, packaging, and shipping of finished goods is primarily performed at Hollander's thirteen (13) North American manufacturing facilities, which are strategically located across North America, with locations in Pennsylvania, Kentucky (2), North Carolina (2), Iowa, Georgia, Texas, California (3), Ontario and Québec. This manufacturing and distribution network provides Hollander with significant flexibility in processing and shipping orders, such that shipments can reach almost anywhere in the United States and eastern Canada within a 24-hour period, which is critical for high-volume retailers that rely on Hollander's prompt shipping.

18. Approximately 95% of the Chapter 11 Debtors' sales come from wholesale distribution, including to department stores, mass merchant and clubs, off-price retailers, specialty retailers and hospitality customers. The remaining 5% of the Chapter 11 Debtors' sales are from online sales. Recently, the Chapter 11 Debtors have been working to increase direct-to-customer sales through e-commerce connections, with their own websites, established retailers and online marketers.

B. The Chapter 11 Debtors

19. All of the Chapter 11 Debtors operate on an integrated basis and are incorporated or established under the laws of the United States, with the exception of Hollander Sleep Products Canada Limited ("**Hollander Canada**"), which is amalgamated under the laws of British Columbia and which maintains a registered office located at Suite 1700, Park Place, 666 Burrard Street, Vancouver, B.C. Each of the Chapter 11 Debtors, including Hollander Canada, is a direct or indirect wholly-owned subsidiary of Dream II Holdings, LLC. A copy of the Hollander Organization Chart is attached hereto as Exhibit "B".

20. For the most recent fiscal year ended December 31, 2018, Hollander generated approximately $526.9 million in net revenue on a consolidated basis. Canadian sales accounted for approximately 10.7% of Hollander's net revenue; U.S. sales amounted to approximately 89%.

21. For the most recent fiscal year ended December 31, 2018, the book value of Hollander's assets and liabilities reflected on its balance sheet was approximately $350.6 million and $340.8 million, respectively, on a consolidated basis.

C. The Chapter 11 Debtors' Non-Debtor Affiliates

22. The Chapter 11 Debtors have two affiliates in China that are not part of the Chapter 11 Cases: Hollander Sleep Products Trading (Shanghai) Co., Ltd. and PCF (Shanghai) Quality Management Co., Ltd. (the "**Non-Debtor Affiliates**"). The Non-Debtor Affiliates provide manufacturing product support services and quality control operations for the Chapter 11 Debtors.

The Non-Debtor Affiliates are not liable for any of the Chapter 11 Debtors' outstanding funded debt obligations.

D. The Financial Position of Hollander Canada

23. There are no stand-alone audited financial statements for Hollander Canada. Hollander Canada's unaudited financial statements have historically been consolidated with Hollander's financial statements, and an audit is performed on a consolidated basis only.

24. On a standalone basis, Hollander Canada is not profitable. Hollander Canada's 2018 financial statement reflects a net loss of approximately $2.6 million and losses have continued for the four month period ended April 30, 2019. A copy of Hollander Canada's unaudited balance sheet as at April 30, 2019 is attached hereto as Exhibit "C".

25. A review of the information contained in the balance sheet is as follows:

i. Assets

26. As of April 30, 2019, the book value of Hollander Canada's current assets totaled $16,837,829, which consisted of:

(a) Cash and Cash Equivalents: $140,744;

(b) Third Party Accounts Receivable: $3,641,985;

(c) Inventory: $12,955,335; and

(d) Prepaid Expenses: $99,765.

27. As of April 30, 2019, the book value of Hollander Canada's non-current assets was $8,300,236, which consisted of inter-company receivables owed to Hollander Canada by Hollander Sleep Products. These monies were advanced to Hollander Sleep Products by Hollander Canada principally to help fund the Chapter 11 Debtors' U.S. operations.

28. In addition, as of April 30, 2019, the book value of Hollander Canada's property and equipment was $1,160,896. This largely represents Hollander Canada's machinery and equipment at its two Canadian production facilities.

ii. Liabilities

29. As of April 30, 2019, Hollander Canada's total liabilities were $15,873,547, which consisted of:

(a) Loan payable (under the ABL Facility, defined below): $5,945,429;

(b) Accounts payable, Trade: $8,710,152; and

(c) Other Accrued Expenses: $1,217,967.

iii. Employees

30. A detailed description of Hollander's employees, including information on wages and benefits of Hollander Canada, is set out in the Employee Wages Motion (defined below). Hollander employs approximately 2,370 employees in the United States and Canada.

31. As of April 2019, Hollander Canada employed approximately 240 employees, all of whom are located in Canada. Approximately 136 employees work at Hollander Canada's manufacturing facility and sales office in Toronto, of which 81 are full-time employees, 1 is a part-time employee,

40 are presently laid off and 14 are on leave. The remainder of Hollander Canada's 104 employees work at or out of its Montreal manufacturing facility, of which 95 are full time employees, 1 is a part time employee, 1 is presently laid off and 14 are on leave.

32. Employees are typically paid wages or salary. Each of Hollander Canada's manufacturing facilities and sales office process their own payroll, with the assistance of a third-party payroll service provider, ADP Canada Co. Hollander Canada's employees are paid on a weekly basis.

33. Hollander Canada also provides benefits coverage to its full-time employees through a group benefits plan provided by Manulife Financial and administered by The Lesly Group Ltd. (the "**Hollander Group Benefits Plan**"). The Hollander Group Benefits Plan is designed to assist and protect eligible employees and their dependents in the event of a serious illness, accident or death and to help cover the cost of some routine items such as prescription drugs, dental care and vision care.

34. Hollander Canada sponsors a Group Registered Retirement Savings Plan ("**Group RRSP**") administered by the Royal Bank of Canada. Through the Group RRSP, Hollander Canada (i) matches 50 percent for contributions representing up to six (6) percent of the employee's weekly compensation, and (ii) matches three (3) percent for contributions representing more than six (6) percent of the employee's weekly compensation.

35. There is no union representation for any of the Canadian employees. There is no registered defined benefit or defined contribution pension in place for the Canadian employees.

36. As described in more detail in the Employee Wages Motion, the Chapter 11 Debtors are, for the time being, seeking relief to continue to pay and/or perform, as applicable, employee related obligations, including those of Hollander Canada. Hollander Canada pays its priority payables in

the ordinary course, including employee wages, vacation pay, employee source deductions and federal and provincial sales tax. Hollander Canada currently has an accrued vacation pay liability of approximately $570,000. Hollander Canada currently has approximately $12,050 in accrued but unpaid Canadian payroll taxes and related amounts. The Chapter 11 Debtors intend to honour vacation entitlements and remit payroll taxes and related deductions to the appropriate authorities in the ordinary course.

iv. Operations in Canada

37. Hollander currently operates two (2) manufacturing facilities in Canada:

(a) 5415/5435/5445/5455 Cote de Liesse, Montreal, Québec (the "**Montreal Facility**") which is leased from 2298174 Ontario Inc. The Montreal Facility's lease is scheduled to expire on May 31, 2023; and

(b) 724 Caledonia Rd, Toronto, Ontario (the "**Toronto Facility**"), which is leased from Crestpoint Acq. The Toronto Facility's lease is scheduled to expire on July 21, 2019, however a notice of lease extension has been provided.

38. In addition, Hollander Canada maintains a sales office at 420 Britannia Road, Toronto, Ontario, which is leased from 420-450 Britannia Road East Ltd. (the "**Britannia Lease**"). The Britannia Lease is set to expire on March 31, 2021. The sales office facilitates sales of Hollander's products to Canadian customers.

39. The primary stakeholders of Hollander Canada include employees, customers, landlords and trade-suppliers. Hollander Canada's vendor base is largely comprised of offshore inventory suppliers, substantially all of whom supply to all of the Chapter 11 Debtors. Key customers of Hollander Canada include Walmart Canada, Costco Canada and Hudson's Bay Company.

Together, these three (3) customers account for approximately 87% of Hollander Canada's annual sales.

v. Merchandise and Supplies in Canada Primarily Sourced Through U.S.

40. Hollander Canada's assets principally consist of inventory (merchandise and supplies) used for the manufacturing of its bedding products, the overwhelming majority of which is manufactured in the U.S. and Canada.

41. All inventory procurement and logistics functions for Hollander Canada are run out of the U.S. headquarters in Boca Raton, Florida. Hollander Canada does not independently design its own merchandise or source its own supplies, nor does it generally enter into licensing partnerships that allow the Chapter 11 Debtors to offer their products under their partners' names.[3] This integrated approach allows Hollander to generate significant benefits for all of its operating subsidiaries by maximizing efficiencies through an integrated supply chain managed out of Hollander's head office.

42. Hollander's business model depends heavily on the Chapter 11 Debtors' well-established global supply chain, which in turn depends on the Chapter 11 Debtors' longstanding relationships with key suppliers. The suppliers provide fabrics and other materials made to Hollander's specifications (the "**Supply Arrangements**"). Hollander's ability to deliver products in a timely manner is critically important to its financial performance and depends on a seamless interaction with various third-party service and logistics providers who ship products to Hollander.

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[3] It should be noted that Hollander Canada is a party to a licensing agreement with each of Ralph Lauren® and Simmons®. However, these licensing agreements were negotiated in the U.S. and were approved by head of U.S. sales, for the benefit of Hollander Canada.

vi. Hollander Canada's Integrated Operations with U.S.

43. Hollander Canada's operations are fully integrated with Hollander's U.S. operations. In particular:

(a) Canadian sales make up approximately 10.7% of Hollander's net revenue.

(b) All of Hollander Canada's directors reside in the U.S.

(c) Hollander Canada's books and records are maintained at Hollander's head office in Boca Raton, Florida.

(d) Hollander Canada is almost wholly reliant on U.S. managerial functions at Hollander's U.S. head office for overhead services, including accounting, finance, buying, logistics, marketing, strategic decisions, IT and other functions. These services are provided for Hollander Canada's benefit by Hollander Sleep Products in the U.S. To compensate Hollander Sleep Products for these services, the Chapter 11 Debtors allocate approximately the total cost of shared services at year end to Hollander Canada. For the most recent fiscal year ended December 31, 2018, pursuant to this arrangement, Hollander Canada paid approximately $7.36 million to Hollander Sleep Products for shared services.

(e) Hollander Canada, on its own, does not have sufficient purchasing power or operational infrastructure to replicate the Supply Arrangements; it primarily relies on the purchasing power and supplier relationships of the U.S. Chapter 11 Debtors.

(f) Hollander Canada is entirely dependent on the U.S. Chapter 11 Debtors for the overwhelming majority of licensing agreements, design partnerships and company-

owned brands. All or substantially all of the trademarks and IP are owned by the U.S. Chapter 11 Debtors.

(g) Most of the data for the Canadian operations is housed within the same IT systems (located and operated out of the U.S.) that support both the Canadian and U.S. operations.

(h) The Chapter 11 Debtors and their non-debtor affiliates operate an integrated, centralized cash management system (the "**Cash Management System**") to collect, transfer and disburse funds generated by their operations, all of which is described in more detail in the Cash Management Motion (defined below). The Cash Management System facilitates cash monitoring, forecasting and reporting and enables the Chapter 11 Debtors to maintain control over the administration of approximately 18 bank accounts, including eight (8) Canadian and U.S. bank accounts (together, the "**Canadian Operations Accounts**") maintained with Wells Fargo Bank, National Association and the Royal Bank of Canada. The Canadian Operations Accounts were primarily established to facilitate the Chapter 11 Debtors sales and manufacturing operations in Canada. The Cash Management System reflects Hollander's integrated business, is vital to the Chapter 11 Debtors' ability to conduct business around the globe and is tailored to meet their operating needs.

(i) The Chapter 11 Debtors, including Hollander Canada, offer and engage in certain customer promotional programs, including with Hollander Canada's key customers. Hollander Canada is dependent on the U.S. Chapter 11 Debtors for the establishment, maintenance and administration of these customer promotional programs.

III. The Chapter 11 Debtors' Prepetition Capital Structure and Indebtedness

44. The Chapter 11 Debtors' prepetition capital structure consists of outstanding funded-debt obligations in the aggregate principal amount of approximately $233 million, including:

(a) a $125 million senior secured revolving credit facility (the "**ABL Facility**") by and between Dream II Holdings, LLC, as parent, and Hollander Home Fashions Holdings, LLC, Hollander Sleep Products, Hollander Sleep Products Kentucky, LLC, Hollander Canada, Pacific Coast Feather Company, and Pacific Coast Feather Cushion Co., as borrowers, the lender parties thereto (the "**ABL Lenders**"), and Wells Fargo Bank, National Association, as agent (in such capacity, the "**ABL Agent**"); and

(b) a $190 million secured term loan facility (the "**Term Loan Facility**") by and between Dream II Holdings, LLC and Hollander Home Fashions Holdings, LLC, as parent guarantors, Hollander Sleep Products, as borrower, the lenders from time to time party thereto (the "**Term Loan Lenders**") and Barings Finance LLC, as administrative agent (in such capacity, the "**Term Loan Agent**").

45. Each Chapter 11 Debtor is an obligor (either as a borrower or guarantor) under the ABL Facility. Hollander Canada is limited in the amount it can borrow under the ABL Facility to $40 million and is not jointly or severally liable for the obligations of the U.S. Chapter 11 Debtors under the ABL Facility (however, the U.S. Chapter 11 Debtors are liable for Hollander Canada's obligations under the ABL Facility). With regard to the Term Loan Facility, each Chapter 11 Debtor, except for Hollander Canada, is an obligor (either as a borrower or a guarantor).

A. Prepetition ABL Facility

46. The ABL Facility provides for cash dominion when the excess availability under the ABL Facility is less than either (a) 12.5% of the maximum credit available under the ABL Facility or (b) $12.5 million for three consecutive business days, at which point the ABL Agent can exercise certain controls over the Chapter 11 Debtors' bank accounts. The Chapter 11 Debtors have triggered cash dominion and the ABL Agent currently sweeps the Chapter 11 Debtors' accounts that are subject to control agreements daily. Substantially all of the Chapter 11 Debtors' cash is subject to control agreements in favour of the ABL Agent. The amount outstanding under the ABL Facility is subject to fluctuations based on daily cash sweeps. The Chapter 11 Debtors estimate that approximately $61 million in principal was outstanding as of the Petition Date, not including approximately $5 million in letters of credit (the "**Prepetition ABL Obligations**"). There are presently no issued Canadian letters of credit. The Prepetition ABL Obligations include approximately $6 million of borrowings by Hollander Canada

47. The Prepetition ABL Obligations are secured by a first lien on certain ABL-priority collateral of the Chapter 11 Debtors, including certain accounts and inventory, Canadian assets, and a second lien in certain collateral on which the prepetition term loan lenders (the "**Term Loan Lenders**") have a first lien. The relative rights and priorities among the ABL Lenders and Term Loan Lenders are governed by an intercreditor agreement.

48. Finally, with regard to the Last Out Loans, the Purchasers (both as defined below) share priority with the ABL Lenders with regard to the Chapter 11 Debtors' collateral but have agreed to subordinate their right to payment to the ABL Lenders until the Prepetition ABL Obligations are paid in full.

B. Prepetition Put Agreement

49. In November 2018, the Chapter 11 Debtors entered into forbearances and an amendment to each of their ABL Credit Agreement and Term Loan Credit Agreement. In connection with these amendments, Sentinel Capital Partners V, L.P., Sentinel Dream Blocker, Inc., and Sentinel Capital Investors V, L.P. (collectively, together with their permitted successors and assigns, the "**Purchasers**") entered into a Put Agreement, dated as of November 27, 2018 (the "**Put Agreement**"), in favor of the ABL Agent and SunTrust Bank, an ABL Lender.

50. Subject to the terms and conditions set forth in the Put Agreement, upon the occurrence of certain events of default under the ABL Facility, the ABL Agent may cause the Purchasers to execute an agreement to purchase a participation interest in a subordinated last-out loan (the "**Last-Out Loans**"). If the Purchasers fail to purchase their participation interest in the Last-Out Loan in accordance with the Put Agreement, the ABL Agent is permitted to draw from certain standby letters of credit that were posted by the Purchasers.

C. Prepetition Term Loan Facility

51. As of the date hereof, approximately $166.5 million in aggregate principal amount remains outstanding under the Term Loan Facility. The Term Loan Facility is secured by a first lien on certain collateral of the Chapter 11 Debtors, except for Hollander Canada, and a second lien on certain collateral on which the ABL Lenders have a first lien. Hollander Canada's assets are not encumbered by the Term Loan Facility; however, the Term Loan Facility is secured by a pledge of 65% of Dream II Holdings, LLC's equity interest in Hollander Canada.

D. Equity Interests

52. Dream II Holdings, LLC owns directly or indirectly 100% of the residual interests in each of the Chapter 11 Debtors (other than Dream II Holdings, LLC). Investment funds managed by Sentinel Capital Partners, LLC (the "**Sponsor**" or "**Sentinel**") directly or indirectly hold the majority of the outstanding membership interests in Dream II Holdings, LLC.

E. Hollander Canada Trade Debt

53. Hollander Canada estimates that, as of May 10, 2019, arm's-length trade creditors are owed approximately $8.95 million in unsecured trade debt. Of that amount, approximately $7.2 million is past due.

F. Hollander Canada Intercompany Debt

54. As of April 30, 2019, Hollander Canada is owed approximately $8.3 million, inclusive of accrued interest, from Hollander Sleep Products, a Chapter 11 Debtor.

IV. Hollander Canada PPSA Searches

55. I am advised by Mr. Martino Calvaruso, a lawyer at Osler, and believe that lien searches were conducted on or about May 16, 2019 against each of the Chapter 11 Debtors under the *Personal Property Security Act* (or equivalent legislation) in Ontario, Québec and British Columbia (the "**PPSA Searches**"). I have been further advised by Mr. Calvaruso and believe that the PPSA Searches indicate, among other things, that Wells Fargo Bank, National Association, has registered a security interest against assets of Hollander Canada in B.C., Ontario and Québec. Barings Finance LLC has registered a security interest against the Chapter 11 Debtors (other than

Hollander Canada) in Ontario. The searches indicate no other registrations against the Chapter 11 Debtors except for a registration in Québec in respect of a photocopier lease.

V. Recent Events

56. In June of 2017, Hollander acquired one of its major competitors, Pacific Coast Feather Company ("**PCF**"). While this acquisition has been a net positive for operations, the impact of continued integration overhang following the acquisition, and the need to expend additional capital to facilitate the integration, strained Hollander's cash flows.

57. Shortly after the acquisition of PCF, Hollander was faced with dramatic increases in the price of materials, including fiber, down and feathers. The financial impact of these unanticipated price increases was in excess of $20 million over the course of approximately one year. At the same time, employee wages increased (as a result of natural wage inflation and the tight job market), as did the cost of freight, duty, and tariff charges. Recently, material prices, particularly fiber, have showed some downward trends, and Hollander is focused on right-sizing production and operational costs and reducing material costs moving forward to re-establish cost parity with its key competitors.

58. Fortunately, the sleep industry as a whole is both healthy and growing. Market trends favor healthy lifestyle sectors, and the basic bedding segment is generally recession resilient. Moreover, management has evaluated Hollander's position and identified steps that Hollander can take to get back on track, including selective price increases and material efficiencies, continued diligence in cost-effective sourcing, investing in capital and technological advancements, streamlining Hollander's manufacturing footprint and building Hollander's e-commerce business.

59. The Chapter 11 Cases provide Hollander with the opportunity to right-size operations and invest in equipment, infrastructure and processes that will allow it to utilize raw material more efficiently, lower its production costs in the long term and re-establish parity with its competitors. Additionally, the infusion of capital proposed as part of the Chapter 11 Cases will facilitate the completion of the PCF integration process and best position Hollander to realize returns on the PCF acquisition.

60. In order to assist with the restructuring process, in April and May 2019, respectively, Matthew R. Kahn was appointed as a disinterested director to the Board of Directors of Dream II Holdings, LLC, as well as the Board of Directors of Hollander Canada, and subsequently granted exclusive authority over conflicts matters. Mr. Kahn has extensive experience serving on boards of managers and boards of directors in distressed situations. Mr. Kahn subsequently directed Hollander to retain Proskauer Rose LLP as independent counsel acting at his direction to assist in the discharge of his duties.

VI. Restructuring Negotiations and Path Forward

61. Beginning in November 2018, the Chapter 11 Debtors engaged with the ABL Lenders and the Term Loan Lenders, resulting in forbearances, amendments to the Chapter 11 Debtors' credit agreements and the Put Agreement. Over the following months, the Chapter 11 Debtors recognized that a more comprehensive solution was required.

62. In February 2019, the Chapter 11 Debtors initiated discussions with the ABL Lenders and the Term Loan Lenders regarding potential balance sheet solutions to their liquidity problems. These discussions preceded the deadline for a March 2019 interest payment under the Term Loan Facility. After exploring out-of-court possibilities, it became apparent that a significant deleveraging would be necessary. In February 2019, the Chapter 11 Debtors retained Kirkland &

Ellis LLP to advise on their restructuring alternatives; in late March the Chapter 11 Debtors retained Carl Marks to provide management services; and in May 2019, the Chapter 11 Debtors retained Houlihan Lokey Capital, Inc. ("**Houlihan**") as their investment banker.

63. Following further discussions, the Chapter 11 Debtors entered into a restructuring support agreement, dated as of May 19, 2019 (the "**RSA**"), with holders of 100% in principal amount of loans under the Term Loan Facility and Sentinel. The RSA contemplates, and the Chapter 11 Debtors have filed, a comprehensive Chapter 11 plan (the "**Plan**"). The RSA ensures that the Plan will be confirmed in all circumstances and, most importantly, a viable business will continue to operate uninterrupted. A copy of the RSA is attached hereto as Exhibit "D" and a copy of the Plan is attached hereto as Exhibit "E".

64. The RSA provides a commitment from the Chapter 11 Debtors' largest creditor constituency to support a substantial deleveraging of the Chapter 11 Debtors' approximately $233 million funded debt capital structure. More specifically, and as described in greater detail below under the heading "DIP Motion", the ABL Lenders and certain Term Loan Lenders have agreed to provide a $90 million debtor-in-possession ("**DIP**") asset-based loan facility (the "**DIP ABL Facility**"), and certain term loan lenders have agreed to provide an additional $28 million term loan facility (the "**DIP Term Loan Facility**", and together with the DIP ABL Facility, the "**DIP Facilities**") to fund the administration of the Chapter 11 Cases.

65. Hollander has also secured an agreement to have the DIP Term Loan Facility converted into a $58 million exit term loan facility upon emergence from the Chapter 11 proceedings, which provides an additional $30 million in incremental liquidity to fund go-forward operations. With respect to the DIP ABL Facility, it includes a creeping (or gradual) roll-up wherein the Chapter 11 Debtors will use receipts from the Chapter 11 Debtors' operations to pay down pre-filing

obligations under the ABL Facility pending the final DIP Order, whereupon (and if granted) there will be a deemed draw on the DIP ABL Facility to satisfy the then remaining outstanding prepetition debt under the ABL Facility, if any. Furthermore, Sentinel has agreed to convert its loans, in a last-out position, in any proposed exit asset-based financing facility. The new money term loan exit financing is committed, thus ensuring that Hollander is able to finance its emergence from the Chapter 11 proceedings without the need to raise additional financing.

66. The Plan also includes a sale "toggle" feature, allowing for a potential sale to a third party supported by the secured lenders and accomplished through the Plan. In this regard, Houlihan commenced a marketing process relating to the Chapter 11 Debtors' assets, including the assets of Hollander Canada, and will continue to actively solicit the market for potential financial and strategic buyers now that the Chapter 11 Cases have formally commenced. Houlihan's process will not preclude a prospective buyer from submitting bids for the business and assets of Hollander Canada on its own. The Chapter 11 Debtors will be willing to enter into a sale or a combination of sales if the Chapter 11 Debtors believe, in their business judgment, that such transactions will result in higher or otherwise better value to stakeholders than the proposed transaction embodied in the RSA and the Plan. Importantly, the parties to the RSA are active supporters of this market test process.

67. To ensure the least disruption to operations and to minimize the cost of the Chapter 11 Cases, Hollander and its stakeholders have agreed upon an expedited timeline to effectuate its comprehensive restructuring. The proposed timeline is as follows, subject to U.S. Court availability and approval at the final DIP Motion:

Deadline	Proposed Date
Deadline to file Disclosure Statement	June 12, 2019
Preliminary Bid Deadline	July 1, 2019
Disclosure Statement Hearing	July 17, 2019, or as soon thereafter as the Debtors may be heard.
Bid Deadline	July 26, 2019
Auction	August 1, 2019
Plan and Sale Objection and Plan Voting Deadlines	August 19, 2019
Confirmation Hearing	August 26, 2019, or as soon thereafter as the Debtors may be heard.

68. Given that Hollander Canada is not a borrower or guarantor under the Term Loan Facility, the Chapter 11 Debtors have negotiated and incorporated certain protections into the Plan to mitigate against any material prejudice to current creditors of Hollander Canada. More specifically, the Plan provides that, except to the extent that a holder of an allowed unsecured claim in respect of Hollander Canada agrees to less favourable treatment, on the effective date of the Plan, each holder of such a claim will receive its pro rata share of the "Hollander Canada Cash Allocation" up to the full amount of such holder's claim, in full and final satisfaction, compromise, settlement, release and discharge of and in exchange for such claim. The "Hollander Canada Cash Allocation" is defined to mean (i) in the event that the winning bidder is an entity other than the Term Loan Lenders, any cash proceeds of a winning bidder's sale transaction, after payment in full of the DIP ABL Claims (as defined therein) and other priority secured claims, allocated to the assets, undertakings and property of Hollander Canada by such winning bidder, in consultation with the Information Officer, or (ii) in the event that the winning bidder is the Term Loan Lenders, the cash proceeds, if any, of any Canadian Acquisition Transaction, if so elected by the Term Loan Lenders, made available to apply against Hollander Canada's general unsecured claims. A

Canadian Acquisition Transaction is defined to mean one or more transactions to be implemented on or before the Effective Date pursuant to which the Term Loan Lenders may acquire the assets, undertakings and properties of Hollander Canada, which transaction shall be acceptable to the Chapter 11 Debtors, the required Term Loan Lenders and the Information Officer and subject to the approval of the Canadian Court.

69. The provision of consultation rights to the Information Officer in (i) above is designed to ensure that creditors of Hollander Canada are afforded necessary protection with regard to any asset allocation following a sale to a third party. The requirement to obtain Court approval for any Canadian Acquisition Transaction in (ii) above is designed to ensure that interested parties have an opportunity to voice concerns, if any, with respect to such transaction and to provide an opportunity for the Information Officer to make a recommendation to the Canadian Court in respect of any proposed Canadian Acquisition Transaction.

VI. Urgent Need for Relief in Canada

70. Hollander Canada and the other Chapter 11 Debtors are in urgent need of a stay of proceedings and the recognition of the First Day Orders.

71. The Chapter 11 Debtors' cash balance as of the Petition Date was insufficient to operate their enterprise and continue paying their debts as they come due. While the Chapter 11 Debtors have thus far largely been able to maintain the shipment and distribution of products (and thus the continued trust of their customers) notwithstanding their liquidity challenges, the Chapter 11 Debtors, including Hollander Canada on a standalone basis, cannot sustain normal course operations without an immediate infusion of post-petition financing and access to cash collateral. Presently, approximately $7.2 million of Hollander Canada's $9 million of accounts payable is past due. Without immediate post-petition financing and access to cash collateral, the Chapter 11

Debtors, including Hollander Canada on a standalone basis, will be unable to pay wages for their employees or the invoices of vendors critical to business operations, preserve and maximize the value of their estates, and administer the Chapter 11 cases, causing irreparable harm to the value of the Chapter 11 Debtors' estates to the detriment of all stakeholders.

72. Furthermore, the DIP ABL Credit Agreement (defined below) requires the Chapter 11 Debtors to obtain an order from this Court recognizing and giving effect to the DIP Order (among other First Day Orders) within three (3) business days of the day that the DIP Order is issued by the U.S. Court. Further, the DIP ABL Facility provides that the DIP Order must be recognized by this Court before any borrowing by Hollander Canada will be permitted. As the Chapter 11 Debtors, including Hollander Canada on a standalone basis, need access to all of the funds available under the DIP Facilities forthwith, it is critical that the Applicant obtain recognition of the First Day Orders as soon as possible to permit the Chapter 11 Debtors to access the liquidity necessary for them to continue as a going concern and to implement the restructuring contemplated by the RSA and the Plan.

73. If the restructuring is implemented, it is anticipated that Hollander Canada will continue as a going concern, resulting in, among other things, the continuing employment of approximately 240 Canadian employees. In addition, it is anticipated that trade creditors, customers, landlords and other third party stakeholders will benefit from the continued operation of Hollander Canada's business.

74. If, however, the restructuring is not implemented, a liquidation of the business and assets of the Chapter 11 Debtors, including Hollander Canada, will be the likely result. In a liquidation scenario, Hollander Canada's unsecured creditors are likely to suffer a substantial or complete shortfall in the recoveries on their claims. The book value of Hollander Canada's current assets is

not reflective of the realizable value of its assets in a liquidation scenario. In addition, Hollander Canada currently has liabilities of approximately $15.8 million and a large number of additional "off balance sheet" liabilities would arise if Hollander Canada were to cease operations and liquidate, including claims in respect of lease terminations, breach of contract and termination and severance pay for Hollander Canada's approximately 240 employees.

75. The proposed Information Officer has prepared a liquidation analysis evaluating the impact of a liquidation scenario on creditors of Hollander Canada (the "**Liquidation Analysis**") and has determined that such a liquidation would result in Hollander Canada's unsecured creditors receiving nominal recoveries, if any. I understand from the proposed Information Officer that the Liquidation Analysis will be included in a Confidential Appendix to the proposed Information Officer's Pre-filing Report (the "**Confidential Appendix**"). The Applicant is requesting that a sealing order be granted with respect to the Confidential Appendix, as it contains confidential and commercially sensitive information which would result in material prejudice to the Chapter 11 Debtors, including to the Houlihan sale process, should it be disclosed.

76. In light of the foregoing, a going concern outcome is in the best interests of Hollander Canada and all of its stakeholders. A going concern outcome is only available if the relief sought is granted. The proposed DIP Facilities and Plan are supported by all creditors and key stakeholders with an economic interest in Hollander Canada.

VII. Relief Sought

A. Recognition of Foreign Proceedings

77. The Applicant seeks recognition of the Chapter 11 Cases as "foreign main proceedings" pursuant to Part IV of the CCAA. Other than Hollander Canada, all of the remaining Chapter 11

Debtors are incorporated under U.S. law, have their registered head office and corporate headquarters in the U.S., carry out their business in the U.S. and have all or substantially all of their assets located in the U.S. While Hollander Canada maintains a sales office in Ontario and one manufacturing facility in each of Ontario and Québec, only minimal administrative functions are carried out in Canada – Hollander Canada is, for all intents and purposes, administered and managed out of the United States.

78. As described above, Hollander is managed on a consolidated basis and its Canadian operations are dependent on and integrated with the U.S. operations. Hollander Canada would not be able to function as an independent entity without the corporate functions performed by the Chapter 11 Debtors in the U.S.

B. Recognition of the First Day Orders

79. By operation of the U.S. Bankruptcy Code, the Chapter 11 Debtors obtained the benefit of a stay upon filing the voluntary petitions with the U.S. Court. A stay of proceedings in Canada is essential to protect the efforts of Hollander to proceed with the Chapter 11 Cases and to pursue the Plan.

80. On May 19, 2019, the Chapter 11 Debtors filed certain First Day Motions. On May 21, 2019, the U.S. Court heard several (but not all) of the First Day Motions and entered seven (7) interim or final orders on May 22 and 23, 2019 (the "**First Day Orders**"). Two further court dates have been scheduled with the U.S. Court to hear the remaining First Day Motions and certain anticipated "day two" motions.

81. At this time, the Applicant is seeking recognition of the seven (7) First Day Orders issued by the U.S. Court on May 22 and 23, 2019.

82. The First Day Motions heard by the U.S. Court on May 21, 2019 can be summarized as follows:

(a) *Debtors' Motion for Entry of an Order (I) Authorizing Hollander Sleep Products to Act as Foreign Representative and (II) Granting Related Relief* (the "**Foreign Representative Motion**"): Pursuant to this motion, Hollander Sleep Products sought an order authorizing Hollander Sleep Products to act as the "foreign representative" in order to seek the relief sought in this Application.

(b) *Debtors' Motion for Entry of an Order (I) Directing Joint Administration of Chapter 11 Cases; and (II) Granting Related Relief* (the "**Joint Administration Motion**"): This motion sought an order authorizing the joint administration of the various Chapter 11 Cases filed by the Chapter 11 Debtors and related procedural relief.

(c) *Debtors' Motion Seeking Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Pay Prepetition Wages, Salaries, Other Compensation, and Reimbursable Expenses and (B) Continue Employee Benefits Programs, and (II) Granting Related Relief* (the "**Employee Wages Motion**"): This motion described and sought an order approving the continuation of the Chapter 11 Debtors' prepetition employee obligations in the ordinary course of business, and authority to pay and honour certain prepetition claims relating to, among other things, wages, salaries and other compensation. With respect to Canada in particular, the Chapter 11 Debtors sought authorization, among other things, to: (i) pay all outstanding prepetition amounts on account of unpaid wage and salary obligations for Hollander Canada employees consistent with past practice, and to continue paying such wages

and salary obligations in the ordinary course of business; (ii) pay in a manner consistent with historical practice any unpaid withholding obligations and to continue to honour withholding obligations in the ordinary course of business during the administration of the Chapter 11 Cases; and (iii) to pay all outstanding prepetition amounts incurred by Hollander Canada employees on account of reimbursable expenses, and continue to pay such reimbursable expenses on a post-petition basis.

(d) *Debtors Motion Seeking Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Continue to Operate their Cash Management System and (B) Honour Certain Prepetition Obligations Related Thereto, (C) Maintain Existing Business Forms, and (D) Continue to Perform Intercompany Transactions, and (II) Granting Related Relief* (the "**Cash Management Motion**"): The Cash Management Motion contained a detailed description of the Chapter 11 Debtors' cash management system, including the Canadian Operations Accounts, and sought an order authorizing the ongoing use of that system, including access to the Canadian Operations Accounts. It also sought relief to permit intercompany advances.

(e) *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Chapter 11 Debtors to Obtain Postpetition Financing, (II) Authorizing the Chapter 11 Debtors to Use Cash Collateral, (III) Granting Liens and Providing Superpriority Administrative Expense Status, (IV) Granting Adequate Protection to the Prepetition Lenders, (V) Modifying the Automatic Stay, (VI) Scheduling a Final*

Hearing, and (VII) Granting Related Relief (the "**DIP Motion**"). The DIP Motion is described below.

(f) *Debtors' Motion Seeking Entry of Interim and Final Orders (I) Authorizing the Debtors to Pay Certain Prepetition Claims of (A) Lien Claimants, (B) Import Claimant (C) Section 503(B)(9) Claimants (D) Foreign Vendors, (E) Critical Vendors, (II) Confirming Administrative Expense Priority of Outstanding Orders, and (III) Granting Related Relief* (the "**Critical Vendors and Shippers Motion**"): This motion described lien claimants, critical vendors, customs brokers and warehousemen, among others, that provide specific services to the Chapter 11 Debtors. Through this motion, the Chapter 11 Debtors sought, among other things, an order authorizing them to pay certain pre-petition amounts to such critical third parties, including third parties who provide services to Hollander Canada, to maintain stability during the opening days of the Chapter 11 Cases and to avoid jeopardizing the Chapter 11 Debtors' ability to serve their customers going forward.

(g) *Debtors' Motion for Entry of Interim and Final Order (A) Authorizing the Debtors to Maintain and Administer Their Existing Customer Programs and Honour Certain Prepetition Obligations Related Thereto and (B) Granting Related Relief* (the "**Customer Programs Motion**"): This motion described and sought the continuation, in the discretion of the Chapter 11 Debtors, of various customer programs that Hollander offers, including markdown allowances, discounts, returns, and cooperative marketing programs. It is essential that Hollander maintain customer loyalty and goodwill by maintaining and honouring the programs.

C. DIP Motion

83. As described in more detail in the DIP Motion, the Chapter 11 Debtors (including Hollander Canada) sought the authority from the U.S. Court to enter into:

(a) a debtor-in-possession senior secured ABL credit agreement (the "**DIP ABL Credit Agreement**") with Wells Fargo Bank, National Association as agent (in such capacity, the "**DIP ABL Agent**") and the lenders who from time to time are a party thereto (the "**DIP ABL Lenders**") with respect to a senior secured credit facility in an aggregate amount not to exceed $90 million (as above, the DIP ABL Facility); and

(b) a DIP senior secured term loan agreement (the "**DIP Term Loan Credit Agreement**" and together with the DIP ABL Credit Agreement, the "**DIP Agreements**") with Barings Finance LLC, as administrative agent (in such capacity, the "**DIP Term Loan Agent**"), and the financial institutions who from time to time are a party thereto (collectively, the "**DIP Term Loan Lenders"** and together with the DIP ABL Lenders, the "**DIP Lenders**") in the aggregate amount not to exceed $28 million (as above, the DIP Term Loan Facility)**.**

84. Full details regarding the Chapter 11 Debtors request for the DIP Facilities are set out in the DIP Motion and are not repeated herein. In addition, matters related to the granting of adequate protection in respect of the DIP ABL Credit Agreement and the DIP Term Loan Credit Agreement are addressed therein.

85. Briefly, some of the significant features of the DIP ABL Facility—the critical facility from the perspective of Hollander Canada—include:

(a) *Borrowers:* Hollander Home Fashions Holdings, LLC; Hollander Sleep Products; Hollander Sleep Products Kentucky, LLC; Hollander Canada; Pacific Coast Feather, LLC; and Pacific Coast Feather Cushion, LLC.

(b) *Guarantors:* Dream II Holdings, LLC.

(c) *Amount*: Up to $90 million. However, Hollander Canada is only entitled to borrow $20 million under the DIP ABL Facility, less the amount of Hollander Canada's prepetition obligations under the ABL Credit Agreement that are rolled-up into the DIP ABL Facility.

(d) *Rate:* Loans will bear interest, at the option of the Borrowers, at one of the following rates: (i) if a US Revolving Loan or Canadian obligation is a Base Rate Loan, the Base Rate + 2.00% and (ii) if a US Revolving Loan or Canadian obligation is a Non-Base Rate Loan, LIBOR + 4.00%.

(e) *Security:* all present and after acquired real and personal property of the Chapter 11 Debtors.

(f) *Events of Default:* Various events of default as set out therein.

(g) *Remedies upon Default:* Upon default, the DIP ABL Lenders, among other things, may terminate their obligations under the DIP ABL Facility and demand immediate repayment of all or part of the borrowers' obligations without further notice.

86. Some of the significant features of the DIP Term Loan Facility include:

(a) *Borrower:* Hollander Sleep Products.

(b) *Guarantors:* All Chapter 11 Debtors, excluding Hollander Sleep Products and Hollander Canada.

(c) *Amount*: Up to $28 million.

(d) *Rate:* Loans will bear interest, at the option of the Borrower, at one of the following rates: (i) LIBOR Rate Loans: LIBOR + 7.00% and (ii) Base Rate Loans: Base Rate + 6.00%.

(e) *Security:* all real and personal property, whether now existing or hereafter arising and wherever located, tangible and intangible of the Chapter 11 Debtors, except for Hollander Canada.

(f) *Events of Default:* Various events of default as set out therein.

(g) *Remedies upon Default:* Upon default, the DIP Term Loan Lenders, among other things, may terminate their obligations under the DIP Term Loan Facility and demand immediate repayment of all or part of the borrowers' obligations without further notice.

87. Immediate access to incremental liquidity pursuant to the DIP Facilities is critical to preserving the value of the Chapter 11 Debtors' estates (including Hollander Canada's estate) and maximizing the likelihood of a going-concern reorganization. Ample post-petition financing is necessary to send a strong market signal that the Chapter 11 Cases are well-funded.

88. The ability of the Chapter 11 Debtors, including Hollander Canada, to maintain business relationships with their vendors, suppliers and customers, to pay their employees and otherwise finance their operations requires the availability of working capital from the DIP Facilities. This

is particularly critical at this stage given the upcoming "back to school" season, being the peak selling season for Hollander Canada. The Chapter 11 Debtors, including Hollander Canada on a standalone basis, do not have sufficient available sources of working capital and financing to operate their businesses or maintain their properties in the ordinary course of business without immediate access to the DIP Facilities.

89. In addition, the DIP ABL Lenders have indicated that they are unwilling to make the DIP ABL Facility available to the Chapter 11 Debtors unless Hollander Canada is jointly and severally liable for all of the outstanding obligations under the DIP ABL Facility (including those incurred by the U.S. borrowers). In recognition of, and in response to, the demands for security from Hollander Canada, the Chapter 11 Debtors negotiated several forms of protections in the DIP ABL Facility which are designed to mitigate against any material prejudice to creditors of Hollander Canada. I understand that all of these efforts (and the results therefrom) were supported by the proposed Information Officer and its independent counsel.

90. First, the DIP ABL Lenders have agreed to a provision in the DIP Order pursuant to which the DIP ABL Agent is obligated to first look to proceeds of the Chapter 11 Debtors' U.S. collateral to satisfy any outstanding obligations of the U.S. Chapter 11 Debtors under the DIP ABL Facility and to the proceeds of the Chapter 11 Debtors' Canadian collateral to satisfy any outstanding obligations of Hollander Canada under the DIP ABL Facility. Only once the collateral in the U.S. has been exhausted can the DIP ABL Lenders look to the proceeds of Canadian assets to satisfy any outstanding U.S. obligations.

91. Second, the DIP ABL Facility, the Term DIP Facility and the DIP Order have been structured such that if the Chapter 11 Debtors (other than Hollander Canada) require access to the Canadian collateral for additional borrowings, Hollander Canada will borrow such amounts under

the DIP ABL Facility (up to the Canadian Maximum Revolver Amount) and then lend such borrowed amounts to the applicable Chapter 11 Debtor on a superpriority administrative expense basis. The superpriority "intercompany" charge would rank junior to the DIP ABL Lenders and ABL Lenders but senior to the Term DIP Loan Lenders and Term Loan Lenders on the ABL Priority Collateral and junior to the Term DIP Loan Lenders, the Term Loan Lenders, the DIP ABL Lenders and the ABL Lenders on the Term Priority Collateral. Amounts for shared services provided to Hollander Canada by the U.S. Chapter 11 Debtors will be offset against any such intercompany loans.

92. As described further in the DIP Motion, the Chapter 11 Debtors have determined, in the exercise of their business judgment, that the terms of the DIP ABL Facility are reasonable and appropriate in the circumstances. Without immediate access to the DIP Facilities, the Chapter 11 Debtors, including Hollander Canada on a standalone basis, would be unable to operate their business and maintain business relationships with their vendors, suppliers and customers, pay their employees or otherwise finance their operations, and their ability to preserve and maximize the value of their assets would be irreparably harmed.

93. Should the above occur, it would have a disastrous effect on Hollander Canada and Hollander more generally. To survive as a going concern, Hollander Canada requires the Chapter 11 Debtors in the U.S. to remain as a going concern. Hollander Canada depends on its U.S. counterparts to source and obtain high quality, low cost supplies from Hollander's partners, and to access Hollander's licensing agreements, design partnerships and company-owned brands, and other trademarks and IP (substantially all of which are owned or controlled by the U.S. Chapter 11 Debtors).

94. The amount actually borrowed by the Chapter 11 Debtors under the DIP ABL Credit Facility is proposed to be secured by, among other things, a Court-ordered charge on Hollander Canada's property and the property of the other Chapter 11 Debtors in Canada, if any, that ranks in priority to all unsecured claims, but is subordinate to the proposed Administration Charge (defined below) and to secured creditors with existing perfected security interests (the "**DIP ABL Charge**").

VIII. U.S. Court Hearing

95. On May 23, 2019, the U.S Court entered the interim DIP Order, in addition to other interim and final First Day Orders entered on May 22nd and 23rd. A copy of each of the First Day Orders are attached to the Barz Affidavit as Exhibit "O".

IX. Appointment of Information Officer

96. As part of its application, the Applicant is seeking to appoint KSV as the information officer (the "**Information Officer**") in this proceeding. KSV is a licensed trustee in bankruptcy in Canada and its principals have acted as an information officer in several previous ancillary proceedings (both under Part IV of the CCAA as well as the former section 18.6 of the CCAA).

97. KSV has consented to acting as Information Officer in this proceeding. A copy of KSV's consent to act as Information Officer is attached hereto as Exhibit "F".

98. The Chapter 11 Debtors propose to grant the proposed Information Officer and its legal counsel an administration charge with respect to their fees and disbursements in the maximum amount of US$200,000 (the "**Administration Charge**") on Hollander Canada's property in Canada. The U.S. Chapter 11 Debtors do not have any assets in Canada. I believe the amount of the charge to be reasonable in the circumstances, having regard to the size and complexity of these

proceedings and the roles that will be required of the proposed Information Officer and its legal counsel.

X. Proposed Next Hearing

99. As set out above, Hollander Sleep Products, as the Foreign Representative, is seeking recognition of the above-noted "interim orders" including the DIP Order.

100. Hollander Sleep Products intends to seek a further hearing for recognition of any corresponding "final orders" if and when issued by the U.S. Court and would expect to address any other matters at that time. As noted above, Hollander Sleep Products also intends to seek a further hearing for recognition of the Final DIP Order (as defined in the First Day Declaration) if and when issued by the U.S. Court.

XI. Notice

101. This application has been brought on notice to the DIP Lenders and the proposed Information Officer. The major stakeholders of the Chapter 11 Debtors are located in the U.S. and notice will be given to them within the Chapter 11 Cases.

102. The information regarding these proceedings will be provided to Hollander Canada's stakeholders by and through the Information Officer. If the Orders sought are granted, Hollander Canada proposes that a notice of the recognition orders be published for two consecutive weeks in

The Globe and Mail (National Edition) pursuant to the CCAA and all Canadian Court materials in these proceedings will be available on the Information Officer's website.

SWORN BEFORE ME at the City of New York in the State of New York on May 23, 2019.

SS: N.Y

JAMES F. HICKEY
Notary Public, State of New York
Registration #01HI6340819
Qualified In Queens County
Commission Expires April 25, 2020

MARC PFEFFERLE

THIS IS EXHIBIT "B" REFERRED TO IN THE AFFIDAVIT OF MARC PFEFFERLE SWORN ON AUGUST 2, 2019.

REC

ROBERT E COLAPIETRO
Notary Public
Connecticut
My Commission Expires Feb 28, 2022

Court File No. CV-19-620484-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. C-36, AS AMENDED

AND IN THE MATTER OF HOLLANDER SLEEP PRODUCTS LLC, HOLLANDER SLEEP PRODUCTS CANADA LIMITED, DREAM II HOLDINGS, LLC, HOLLANDER HOME FASHIONS HOLDINGS, LLC, PACIFIC COAST FEATHER, LLC, HOLLANDER SLEEP PRODUCTS KENTUCKY, LLC, AND PACIFIC COAST FEATHER CUSHION, LLC

APPLICATION OF HOLLANDER SLEEP PRODUCTS LLC UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

APPLICANT

AFFIDAVIT OF MARC PFEFFERLE

(Sworn July 3, 2019)

I, Marc Pfefferle, of the Town of Westport, Connecticut, United States of America, **MAKE OATH AND SAY:**

1. I am the Chief Executive Officer ("**CEO**") of Hollander Sleep Products, LLC ("**Hollander Sleep Products**" or the "**Foreign Representative**") and the six (6)[1] other debtors in possession that recently filed voluntary petitions for relief pursuant to Chapter 11 of the U.S. Bankruptcy

[1] In addition to Hollander Sleep Products, the other six (6) Chapter 11 Debtors are: Dream II Holdings, LLC; Hollander Home Fashions Holdings, LLC; Pacific Coast Feather, LLC; Hollander Sleep Products Kentucky, LLC; Pacific Coast Feather Cushion, LLC; and Hollander Sleep Products Canada Limited.

Code (the "**Chapter 11 Debtors**"). I am also a Partner at Carl Marks Advisors ("**Carl Marks**"), an investment bank that provides financial and operational services, where I have worked since 1992. I have served as CEO of Hollander Sleep Products since March 28, 2019 when I was retained by the Chapter 11 Debtors and their non-debtor affiliates. Before joining Carl Marks, I was a Partner with Marigold Associates, a strategic management consulting firm serving Fortune 100 companies, and before that I worked for Price Waterhouse LLP. I have over thirty years of experience providing restructuring and reorganization services for companies, creditors, and other stakeholders across a variety of industries, including consumer products, retail, manufacturing, and distribution related businesses.

2. As such, I have personal knowledge of the matters to which I depose in this Affidavit, save and except where I refer to matters based on information and belief, in which case I have stated the source of my information and, in all such cases, I believe that information to be true. In preparing this Affidavit, I consulted with the Chapter 11 Debtors' management team and advisors (including the Carl Marks team working under my supervision) and reviewed relevant documents and information concerning the Chapter 11 Debtors' operations, financial affairs and restructuring initiatives.

3. I swear this Affidavit in support of a motion by Hollander Sleep Products in its capacity as foreign representative of the Chapter 11 Debtors for:

(a) an Order recognizing and enforcing certain Second Day Orders (defined below) entered by the United States Bankruptcy Court for the Southern District of New York (the "**U.S. Court**"), including the Final DIP ABL Order, the Claims Bar Date Order and the Bid Procedures Order (all as defined below); and

(b) an Order amending the Supplemental Order (defined below) to reflect the Final DIP ABL Order.

4. Capitalized terms used herein and not otherwise defined shall have the meaning given to them in my initial affidavit sworn May 23, 2019 in these proceedings (the "**Initial Affidavit**"), a copy of which is attached hereto without exhibits as Exhibit "A". All dollar references in this Affidavit are in U.S. dollars unless otherwise specified.

A. Background

5. On May 19, 2019 (the "**Petition Date**"), each of the Chapter 11 Debtors filed voluntary petitions for relief (the "**Petitions**") pursuant to Chapter 11 of the U.S. Bankruptcy Code with the U.S. Court (the "**Chapter 11 Proceedings**").

6. Concurrent with or shortly after the filing of the Petitions, the Chapter 11 Debtors also filed several "first day" motions (the "**First Day Motions**") with the U.S. Court and, on May 21, 2019 and June 3, 2019, the U.S. Court heard nine (9) and two (2) First Day Motions, respectively, with certain "second day" motions (the "**Second Day Motions**") to be heard at a later date. On May 22 and 23, 2019, the U.S. Court entered the following nine (9) interim and/or final orders (the "**First Day Orders**") in respect of the First Day Motions heard on May 21, 2019:

(a) Joint Administration Order;

(b) Foreign Representative Order;

(c) Interim Employee Wages Order;

(d) Interim Cash Management Order;

(e) Interim DIP Order;

(f) Interim Critical Vendors and Shippers Order;

(g) Interim Customer Programs Order;

(h) Schedules and Statements Extension Order; and

(i) Claims Agent Order.

7. By Order dated May 23, 2019, the Honourable Justice Hainey of the Ontario Superior Court of Justice (Commercial List) (the "**Ontario Court**") recognized the Chapter 11 Proceedings as "foreign main proceedings" (the "**CCAA Recognition Proceedings**"), recognized the appointment of the Foreign Representative, and granted related stays of proceedings in favour of the Chapter 11 Debtors (the "**Initial Recognition Order**"). Attached as Exhibit "B" hereto is a copy of the Initial Recognition Order (without exhibits) and attached as Exhibit "C" hereto is a copy of Justice Hainey's May 30, 2019 Endorsement.

8. Also by Order dated May 23, 2019, Justice Hainey recognized seven (7) out of the nine (9) First Day Orders that were entered by the U.S. Court on May 22 and 23, 2019 (the "**Supplemental Order**").[2] The Supplemental Order also appointed KSV Kofman Inc. as Information Officer in respect of the CCAA Recognition Proceedings, granted a charge in favour of the DIP ABL Agent and the DIP ABL Lenders in respect of the DIP ABL Facility, and an administration charge in the amount of $200,000 in favour of the Information Officer and its counsel. Attached as Exhibit "D" hereto is a copy of the Supplemental Order (without exhibits).

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[2] The Supplemental Order recognized the following seven (7) First Day Orders: (a) Joint Administration Order; (ii) Foreign Representative Order; (iii) Interim Employee Wages Order; (iv) Interim Cash Management Order; (v) Interim DIP Order; (vi) Interim Critical Vendors and Shippers Order; and (vii) Interim Customer Programs Order. The remaining two First Day Orders entered by the U.S. Court on May 22 and 23, 2019 did not need to be recognized by the Ontario Court.

B. Update on the Chapter 11 Proceedings

9. Since the Initial Affidavit was sworn, the Chapter 11 Debtors continue to advance their restructuring objectives and continue to operate in the ordinary course as contemplated in the Chapter 11 Proceedings. Among other things:

(a) On May 30, 2019, the U.S. Trustee filed a Notice of Appointment of Official Committee of Unsecured Creditors, notifying parties in interest that the U.S. Trustee had appointed an Official Committee of Unsecured Creditors (the "**UCC**"). The UCC is currently composed of the following members: (a) Roind Hometex Co. Ltd ("**Roind**"), (b) Hangzhou Chuangyuan Feather Co Ltd. ("**HC Feather**"), (c) Hollander NC IA LLC; (d) Nap Industries, Inc. ("**NAP**"), and (e) Packaging Corporation of America. The UCC has retained Pachulski Stang Ziehl & Jones as its legal counsel and Alvarez & Marsal as its financial advisor. Roind, HC Feather and NAP are also unsecured creditors of Hollander Canada.

(b) As described in my Initial Affidavit, prior to the Petition Date, the Chapter 11 Debtors and their advisors commenced a marketing process to market test the restructuring transaction contemplated by the Restructuring Support Agreement ("**RSA**") and the Plan. Since the Petition Date, the Chapter 11 Debtors have continued to pursue the marketing process and have been keeping the Information Officer and advisors to their major stakeholders (including the UCC, the ABL Lenders, the Term Loan Lenders, and Sentinel) apprised of material developments in the process, including any indications of interest received. As described in more detail below, on May 19, 2019, the Chapter 11 Debtors filed a motion seeking approval of Bidding Procedures (as defined below) and a proposed confirmation

schedule (the "**Bid Procedures Motion**"). The Bid Procedures Motion was heard on July 1, 2019.

(c) On June 3, 2019, the U.S. Court heard two additional First Day Motions which were not heard on May 21, 2019, and, on June 4, 2019, entered the following two Orders in connection therewith: (a) an order authorizing the Chapter 11 Debtors to prepare and file a consolidated list of creditors and mailing initial notices through their claims and noticing agent, among other related relief (the "**Creditor Matrix Order**"); and (b) an interim order authorizing the payment of certain prepetition taxes and fees to taxing authorities (the "**Interim Tax Order**"). As described below, on July 2, 2019, the Final Tax Order (as defined below) was entered by the U.S. Court as part of the hearing of the Second Day Motions. The Foreign Representative is only seeking recognition of the Final Tax Order.

(d) On June 19, 2019, the Chapter 11 Debtors filed a Disclosure Statement (the "**Disclosure Statement**") with the U.S. Court. The Disclosure Statement provides information regarding the affairs of the Chapter 11 Debtors to enable holders of claims against or interests in the Chapter 11 Debtors to make an informed judgment about the proposed Plan. A motion seeking approval of the Disclosure Statement pursuant to section 1125 of the Bankruptcy Code is currently scheduled to be heard by the U.S. Court on July 24, 2019.

(e) On June 21, 2019, the U.S. Court entered a further Order (a) setting bar dates for submitting proofs of claim, (b) approving procedures for submitting proofs of claim, (c) approving notice thereof, and (d) granting related relief (the "**Bar Date**

Order"). The Bar Date Order is described in greater detail below. The Foreign Representative is seeking to recognize the Bar Date Order through this Motion.

(f) Other than as described in further detail below, the U.S. Court has granted certain other relief which is not germane to these proceedings.

C. The Second Day Motions

10. On July 1, 2019, the U.S. Court heard certain Second Day Motions that had been filed by the Chapter 11 Debtors and, on July 2 and 3, 2019, the U.S. Court entered orders in respect of these Second Day Motions, including the following orders which the Foreign Representative is seeking to have recognized by the Ontario Court (together, such orders and the Bar Date Order, the "**Second Day Orders**"):

(a) *Order (I) Authorizing the Debtors to (A) Continue Insurance Coverage Entered into Prepetition and Satisfy Prepetition Obligations Related Thereto (B) Renew, Supplement, Modify, or Purchase Insurance Coverage, and (C) Continue to Pay Brokerage Fees, and (II) Granting Related Relief* (the "**Insurance Order**"): The Insurance Order authorizes the Chapter 11 Debtors to continue insurance coverage that had been entered into prepetition, including a number of insurance policies which cover Hollander Canada, and to satisfy prepetition obligations related thereto in the ordinary course of business. The Insurance Order further authorizes the Chapter 11 Debtors to renew, amend, supplement, extend, or purchase insurance coverage, if necessary.

(b) *Order (I) Authorizing the Debtors to Continue and Renew their Surety Bond Program, and (II) Granting Related Relief* (the "**Surety Bond Order**"): In the

ordinary course of business, certain third parties require the Chapter 11 Debtors to post surety bonds to secure their payment or performance of obligations, including customs and tax obligations. The Surety Bond Order authorizes the Chapter 11 Debtors to maintain their existing surety bond program consistent with historical practices, including paying premiums and brokerage fees (including any such obligations that arose prior to the Petition Date), maintain existing collateral, post new or additional collateral or issue letters of credit, renew or enter into new surety bonds, and execute other agreements in connection with the Chapter 11 Debtors' existing surety bond program.

(c) *Order (I) Approving the Bidding Procedures, (II) Scheduling the Bid Deadlines and the Auction, (III) Approving the Form and Manner of Notice Thereof, (IV) Scheduling Hearings and Objection Deadlines with Respect to the Sale, and (V) Granting Related Relief* **(**the "**Bid Procedures Order**"): The Bid Procedures Order is described in greater detail below.

(d) *Final Order (I) Authorizing the Debtors to Pay Prepetition Claims of (A) Lien Claimants, (b) Import Claimant, (C) 503(B)(9) Claimants, (D) Foreign Vendors, and (E) Critical Vendors, (II) Confirming Administrative Expense Priority of Outstanding Orders, and (III) Granting Related Relief* (the "**Final Critical Vendors Order**"): The Final Critical Vendors Order authorizes the Chapter 11 Debtors to pay certain prepetition amounts owed to, among others, (i) lien claimants; (ii) import claimant; (iii) 503(b)(9) claimants; (iv) foreign vendors; and (v) critical vendors, in an amount not to exceed $6 million on a final basis, to help preserve the Chapter 11 Debtors' relationships with their key vendors and their

ability to serve their customers going forward. There are no material amendments to the Final Critical Vendors Order from the Interim Critical Vendors Order.

(e) *Final Order (I) Authorizing the Debtors to (A) Pay Prepetition Employee Wages, Salaries, Other Compensation, and Reimbursable Employee Expenses and (B) Continue Employee Benefits Programs and (II) Granting Related Relief* (the "**Final Wages Order**"): The Final Wages Order authorizes the continuation of the Chapter 11 Debtors' prepetition employee obligations in the ordinary course of business, and permits them to pay and honour certain prepetition claims relating to, among other things, wages, salaries and other compensation. With respect to Hollander Canada, the Chapter 11 Debtors are authorized, among other things, to (i) pay all outstanding prepetition amounts on account of unpaid wage and salary obligations for the employees of Hollander Canada, and to continue paying such wage and salary obligations in the ordinary course of business, (ii) pay all outstanding prepetition amounts incurred by Hollander Canada employees on account of reimbursable expenses, and (iii) continue employee benefits programs in the ordinary course, including payment of certain prepetition obligations related thereto. There are no material amendments to the Final Wages Order from the Interim Wages Order.

(f) *Order Authorizing the Debtors to (A) Retain Carl Marks Advisory Group LLC to Provide the Debtors a Chief Executive Officer, a Chief Financial Officer, and Additional Personnel and (B) Appoint the Chief Executive Officer and Chief Financial Officer Nunc Pro Tunc to the Petition Date* (the "**Carl Marks Order"**): The Carl Marks Order authorizes, among other things, the Chapter 11 Debtors to

employ and retain myself as CEO of the Chapter 11 Debtors (including Hollander Canada), and Scott Pasquith as the Chief Financial Officer of the Chapter 11 Debtors (including Hollander Canada) along with such other personnel of Carl Marks as are necessary to assist myself and Mr. Pasquith in the performance of our duties.

(g) *Final Order (I) Authorizing the Debtors to (A) Continue to Operate their Cash Management System, (B) Honor Certain Prepetition Obligations Related Thereto, (C) Maintain Existing Business Forms, and (D) Continue to Perform Intercompany Transactions, and (II) Granting Related Relief* (the "**Final Cash Management Order**"): The Final Cash Management Order, among other things, authorizes the Chapter 11 Debtors to (i) continue using the Cash Management System and honour any prepetition obligations related to the use thereof, including any bank fees; (ii) designate, maintain, close, and continue to use on a final basis their existing bank accounts; (iii) deposit funds in, and withdraw funds from, the bank accounts by all usual means, including checks, wire transfers, ACH transfers, and other debits; (iv) treat their prepetition bank accounts for all purposes as debtor-in-possession accounts; and (v) open new debtor-in-possession bank accounts. With respect to the Chapter 11 Debtors bank accounts held at the Royal Bank of Canada, the Final Cash Management Order provides that the Chapter 11 Debtors shall not maintain funds in excess of $100,000 in the aggregate with respect to all such bank accounts, and amounts in excess of $100,000 at the end of the business day shall be deposited or transferred to any of the Chapter 11 Debtors' bank accounts that are held at Wells Fargo. With respect to intercompany transactions, the Final Cash Management Order provides, *inter alia*, that the Chapter 11 Debtors shall provide the UCC and

the Information Officer with reports, on a weekly basis (no later than the second business day of the week following the previous week's end) of transfers of cash or other funds made that week from Hollander Canada to the Chapter 11 Debtors other than Hollander Canada.

(h) *Final Order (A) Authorizing the Debtors to Maintain and Administer their Existing Customer Programs and Honor Certain Prepetition Obligations Related Thereto and (B) Granting Related Relief* (the "**Final Customer Programs Order**"): The Final Customer Programs Order authorizes the Chapter 11 Debtors to continue to maintain and administer various customer programs that Hollander offers which are essential to maintain customer loyalty and goodwill. There are no material amendments to the Final Customer Programs Order form the Interim Customer Programs Order.

(i) *Final Order With Respect to Prepetition ABL Secured Parties and DIP ABL Secured Parties (A) Authorizing the Debtors to Obtain Postpetition Financing, (B) Authorizing the Debtors to Use Cash Collateral, (C) Granting Liens and Providing Superpriority Administrative Expense Status, (D) Granting Adequate Protection to the Prepetition ABL Secured Parties, (E) Modifying the Automatic Stay, and (F) Granting Related Relief* (the "**Final DIP ABL Order**"): The Final DIP ABL Order is described below.

(j) *Final Order (A) Authorizing the Payment of Certain Prepetition Taxes and Fees and (B) Granting Related Relief* (the "**Final Tax Order**"): The Final Tax Order, among other things, authorizes the Chapter 11 Debtors to (i) pay or remit taxes and fees in the ordinary course of business accrued prior to the Petition Date that will

become payable during the pendency of the Chapter 11 Cases, including taxes paid to taxing authorities in Canada, and (ii) pay taxes and fees that arise in the ordinary course on a postpetition basis.

(k) *Order (A) Prohibiting Utility Providers from Altering, Refusing, or Discontinuing Utility Services, (B) Determining Adequate Assurance of Payment for Future Utility Services, (C) Establishing Procedures for Determining Adequate Assurance of Payment, and (D) Granting Related Relief* (the "**Utilities Order**"): Preserving utility services, including electricity, telecommunications, internet, water and waste management, is essential to the Chapter 11 Debtors' operations. Should any utility provider refuse or discontinue service, even for a brief period, the Chapter 11 Debtors business operations (including Hollander Canada's business operations) would be disrupted, and such disruption could jeopardize the Chapter 11 Debtors' ability to continue to operate. Accordingly, the Utilities Order, among other things, (i) prohibits utility providers (including certain specified providers to Hollander Canada) from altering, refusing, or discontinuing services to the Chapter 11 Debtors; and (ii) establishes procedures for determining adequate assurances of payment for future utility services.

(l) *Order (A) Authorizing the Retention and Compensation of Professionals Utilized in the Ordinary Course of Business and (B) Granting Related Relief* (the "**Professionals Order**"): The Professionals Order authorizes the Chapter 11 Debtors to retain and compensate certain named professionals utilized by the Chapter 11 Debtors in the ordinary course of business.

(m) *Order Authorizing and Approving the Employment and Retention of OMNI Management Group as Administrative Advisor for the Debtors and Debtors in Possession Nunc Pro Tunc to the Petition Date* (the "**OMNI Order**"): The OMNI Order authorizes the Chapter 11 Debtors to retain OMNI Management Group ("**OMNI**") as administrative advisor effective *nunc pro tunc* to the Petition Date and authorizes OMNI to perform certain bankruptcy administration services. OMNI is also the Chapter 11 Debtors' noticing agent with respect to the proof of claim process contemplated by the Bar Date Order.

(n) *Order (A) Establishing Certain Notice, Case Management, and Administrative Procedures and (B) Granting Related Relief* (the "**Case Management Order**"): The Case Management Order approves and implements certain notice, case management, and administrative procedures, which are attached as Exhibit 1 to the Case Management Order.

(o) *Second Interim Order (A) Authorizing the Debtors to Obtain Postpetition Financing, (B) Authorizing the Debtors to Use Cash Collateral, (C) Granting Liens and Providing Superpriority Administrative Expense Status, (D) Granting Adequate Protection to the Prepetition Term Loan Lenders, (E) Modifying the Automatic Stay, (F) Scheduling a Final Hearing, and (G) Granting Related Relief* (the "**Second Interim DIP Term Order**"): The Second Interim DIP Term Order is described below.

11. I am aware that copies of the above-noted Second Day Orders will be attached to the Affidavit of Evan Barz (the "**Second Barz Affidavit**"), an associate lawyer with the law firm

Osler, Hoskin & Harcourt LLP, Canadian counsel to the Chapter 11 Debtors, and will be filed with the Ontario Court at or before the hearing of this motion.

C. The Bar Date Order

12. On May 30, 2019, the Chapter 11 Debtors filed a motion seeking the Bar Date Order (the "**Bar Date Motion**"). The Bar Date Motion sought to establish deadlines for filing proofs of claim (the "**Bar Dates**") and certain related relief, including procedures for notice of Bar Dates (the "**Bar Date Notice**"). A copy of Bar Date Motion is attached to Second Barz Affidavit as Exhibit "A".

13. As noted above, the U.S. Court granted the Bar Date Order on June 21, 2019, a copy of which is attached to the Second Barz Affidavit as Exhibit "B".

14. Key elements of the Bar Date Order are as follows:

(a) Claims of creditors of Hollander Canada are to be addressed on the same basis as those of the U.S. Chapter 11 Debtors;

(b) The general Bar Date to file proofs of claim for prepetition claims is July 29, 2019 at 5:00 p.m., prevailing Eastern Time;

(c) The Bar Date for governmental units, including Canadian governmental agencies, to file proofs of claim for prepetition claims is November 15, 2019, at 5:00 p.m. prevailing Eastern Time;

(d) Those with claims arising from the rejection of an executory contact or unexpired lease must file proof of claim by the later of (a) the general Bar Date, and (ii) any date the U.S. Court may fix in the applicable order authorizing such rejection and, if no such date is provided, the date that is 35 days after the entry of the order;

(e) If, subsequent to the mailing of the Bar Date Notice, the Chapter 11 Debtors amend or supplement the June 21, 2019 schedules and statements of financial affairs (the "**Schedules**") any affected claimant that disputes such changes must file a proof of claim on or by the later of (i) the applicable general Bar Date or the Bar Date for governmental units, and (ii) 35 days after the date that notice of applicable amendment to the Schedules is served on the claimant;

(f) If a holder of a claim is required to file a proof of claim under the Bar Date Order and fails to do so, such holder is forever barred, estopped and enjoined from asserting such claim against the Chapter 11 Debtors; and

(g) The Bar Date Notice, substantially in the form attached as Exhibit 3 to the Bar Date Order, was published on June 27, 2019 in *The Globe and Mail* (national edition), *The New York Times* (national edition), and *USA TODAY* (national edition).

15. The Chapter 11 Debtors are requesting that the Ontario Court recognize the Bar Date Order and give it full effect in Canada pursuant to Section 49 of the CCAA. The Chapter 11 Debtors are of the view that recognition of the Bar Date Order by the Ontario Court is necessary for the protection of the Chapter 11 Debtors property and is in the interest of their creditors for the following reasons:

(a) the Chapter 11 Cases apply to all creditors of the Chapter 11 Debtors, wherever they may be located, and accordingly one comprehensive claims process is streamlined, efficient and appropriate;

(b) known Canadian creditors of the Chapter 11 Debtors have or will receive a claims package from the Chapter 11 Debtors' noticing agent, OMNI;

(c) the Bar Dates and procedures are consistent with typical claims process orders issued by the Ontario Court in the context of formal insolvency proceedings and, accordingly, are reasonable and appropriate in the circumstances. They provide claimants with notice and opportunity to prepare and file proofs of claim, as well as allowing the Chapter 11 Cases to move forward on a cost-efficient basis;

(d) recognition of the Bar Date Order by the Ontario Court will ensure that the deadline for filing proofs of claim is enforceable against all creditors in Canada and/or creditors of Hollander Canada so that the Chapter 11 Debtors can have an accurate understanding of the claims against their estates; and

(e) As above, notice of the Bar Date was provided to Canadian creditors of the Chapter 11 Debtors on June 27, 2019 in *The Globe and Mail* (national edition).

D. Bidding Procedures

16. As explained in the Initial Affidavit, the Chapter 11 Debtors included a sales toggle feature in the RSA and the Plan to ensure the Chapter 11 Debtors obtain the highest or otherwise best offer, or combination of offers, for the Chapter 11 Debtors' assets. In this regard, the RSA and the Plan authorize the Chapter 11 Debtors to emerge from the Chapter 11 Proceedings through either a debt-for-equity transaction with certain of the Term Loan Lenders or through a sale, or combination of sales, for some or all of the Chapter 11 Debtors' assets (the "**Assets**"). The process does not preclude a bidder from submitting a bid for the Canadian assets on a stand-alone basis. The goal of this dual-pronged approach is to test the market to evaluate whether there is a more

optimal third-party sale transaction or transactions than the proposed restructuring transaction with the Term Loan Lenders which is embodied in the RSA and the Plan.

17. To implement the market test sale transaction, the Chapter 11 Debtors have developed a bidding process designed to encourage all interested parties to expeditiously put their best bids forward and to maximize value of the Chapter 11 Debtors' estates through a competitive auction process of the Assets (the "**Bidding Procedures**"). As described in further detail below, to maximize the competitiveness of the bidding process, the Bidding Procedures provide the Chapter 11 Debtors with the authority to select one or more bidders to act as a stalking horse bidder (each, a "**Stalking Horse Bidder**") and, in connection with each Stalking Horse Bidder, provide customary bid protections (the "**Bid Protections**").

18. On May 19, 2019, the Chapter 11 Debtors filed the Bid Procedures Motion seeking approval of the Bid Procedures Order, a copy of which is attached to the Second Barz Affidavit as Exhibit "G".

19. On July 3, 2019 the U.S. Court entered the Bid Procedures Order, a copy of which is attached to the Second Barz Affidavit as Exhibit "H".

20. The Bid Procedures Order (i) authorizes and approves the Bidding Procedures (a copy of which is attached as Exhibit 1 to the Bid Procedures Order); (ii) approves the Bid Protections; (iii) establishes certain dates and deadlines in connection with the Bidding Procedures; (iv) approves the manner of notice of the Auction; (v) schedules dates and deadlines in connection with approval of the sale; and (vi) grants related relief.

21. Key elements of the Bidding Procedures are as follows:

(a) The deadline by which any party interested in participating in the bidding process (each, a "**Potential Bidder**") must deliver the Preliminary Bid Documents (as defined in the Bidding Procedures) is July 15, 2019, at 4:00 p.m., prevailing Eastern Time;

(b) The Chapter 11 Debtors will determine, in their reasonable discretion and in consultation with the counsel to the DIP ABL Agent and the ABL Agent, counsel to DIP Term Loan Agent and the Term Loan Agent, counsel to the Sponsor, and counsel to any statutory committees appointed in the Chapter 11 Cases (the "**Consultation Parties**"), whether a Potential Bidder has submitted acceptable Preliminary Bid Documents such that the Potential Bidder may conduct due diligence with respect to the Assets (each, an "**Acceptable Bidder**"). Each of the following will also be deemed to be Acceptable Bidders: (i) the DIP ABL Agent (on behalf of the DIP ABL Lenders), (ii) the DIP Term Loan Agent (on behalf of the DIP Term Loan Lenders), (iii) the ABL Agent (on behalf of the ABL Lenders), and (iv) the Term Loan Agent (on behalf of the Term Loan Lenders) (collectively, the "**Agents**");

(c) The Chapter 11 Debtors will provide each Acceptable Bidder with reasonable due diligence information concerning those Assets that are the subject of each such Acceptable Bidder's Bid (as defined in the Bidding Procedures), as requested by each Acceptable Bidder in writing;

(d) The Chapter 11 Debtors are authorized, but not obligated, in the exercise of their business judgment and with the unanimous consent of the Consultation Parties, not to be unreasonably withheld, conditioned, or delayed, to: (a) select one or more

Acceptable Bidders to act as Stalking Horse Bidders in connection with the Auction; and (b) in connection with any stalking horse agreement with a Stalking Horse Bidder (i) provide a breakup fee (the "**Breakup Fee**"), (ii) agree to reimburse reasonable and documented out-of-pocket fees and expenses (the "**Expense Reimbursement**"), and/or (iii) agree to pay a "work fee" or other similar cash fee (the "**Work Fee**" and together with the Breakup Fee and the Expense Reimbursement, the "**Bid Protections**"), *provided* that the aggregate amount that may be paid to any or all Staking Horse Bidders on account of the Bid Protections shall not exceed three percent (3%) of the proposed Purchase Price (as defined in the Bidding Procedures); *provided, further*, that in the event the Consultation Parties shall not unanimously agree as to the Chapter 11 Debtors' proposed selection of a Stalking Horse Bidder and/or the provision of Bid Protections, the Chapter 11 Debtors may file an emergency motion with the U.S. Court seeking approval of such Stalking Horse Bidder and/or such Bid Protections, as applicable. I understand that the Information Officer will be filing a Report in connection with the present Motion which comments on the reasonableness of the three percent (3%) Bid Protection;

(e) To be eligible to participate in the Auction, an Acceptable Bidder must deliver to the Chapter 11 Debtors a Qualified Bid (as defined in the Bidding Procedures). A Qualified Bid must meet certain Bid Requirements (as defined in the Bidding Procedures), including that it must be:

(i) in writing;

(ii) received by no later than August 8, 2019 at 4:00 p.m., prevailing Eastern Time (the "**Bid Deadline**");

(iii) a firm, unconditional bid (not subject to due diligence, shareholder/director/other approval, or financing contingencies);

(iv) accompanied by clean and duly executed transaction documents, including, at a minimum, a draft asset purchase agreement, the form of which will be provided to any Acceptable Bidder prior to the Bid Deadline; and

(v) accompanied by sufficient and adequate financial and other information to demonstrate, to the satisfaction of the Chapter 11 Debtors, in consultation with the Consultation Parties, that such Acceptable Bidder (a) has the financial wherewithal and ability to consummate the acquisition of the Assets and (b) can provide adequate assurance of future performance in connection with the proposed transaction.

(f) Within two (2) business days after the Bid Deadline, the Chapter 11 Debtors and their advisors, in consultation with the Consultation Parties, will determine which Acceptable Bidders (if any) are deemed to be "Qualified Bidders", so as to enable such Qualified Bidders to bid at the Auction;

(g) If no Qualified Bids are received by the Bid Deadline, then the Auction will not occur, the Term Loan Lenders will be deemed the Winning Bidder (as defined below), and the Chapter 11 Debtors will pursue entry of an order by the U.S. Court confirming the Plan at the Sale Hearing (as defined below);

(h) Prior to the Auction, the Chapter 11 Debtors and their advisors will evaluate Qualified Bids and identify the Qualified Bid that is, in the Chapter 11 Debtors reasonable business judgment, in consultation with the Consultation Parties, the highest or otherwise best bid (the "**Initial Minimum Overbid**"). The Chapter 11 Debtors may select more than one Qualified Bid to collectively serve as the Initial Minimum Overbid if each such Qualified Bid contemplates the purchase of different Assets;

(i) If one or more Qualified Bids is received by the Bid Deadline, the Chapter 11 Debtors will conduct the Auction with respect to the Chapter 11 Debtors Assets. The Auction will commence on August 12, 2019 at 10:00 a.m., prevailing Eastern Time, at the offices of Kirkland & Ellis LLP, Lexington Avenue, New York, New York 10022, or such later time or other place as the Chapter 11 Debtors will notify the Stalking Horse Bidders and all other Qualified Bidders, in consultation with the Consultation Parties. The Auction will be conducted in accordance with, among others, the following procedures:

(i) The Auction will be conducted openly;

(ii) Only the Qualified Bidders, including any Stalking Horse Bidders and the Agents will be entitled to bid at the Auction;

(iii) Bidding at the Auction will begin at the Initial Minimum Overbid;

(iv) Subsequent bids at the Auction, including any Bids by any Stalking Horse Bidder, must be made in minimum increments of $1 million (or such other amount as the Chapter 11 Debtors may determine in consultation with the

Consultation Parties) of additional value after payment of the Bid Protections to any Stalking Horse Bidders, if applicable; and

(v) The Auction will not close unless and until all Qualified Bidders have been given a reasonable opportunity to submit an overbid at the Auction to the then prevailing highest Bid, subject to the Chapter 11 Debtors' right to require, and in consultation with the Consultation Parties, last and final Bids to be submitted on a "blind" basis;

(j) Upon the conclusion of the Auction (if such Auction is conducted), the Chapter 11 Debtors, in the exercise of their reasonable, good-faith business judgment, and in consultation with the Consultation Parties, will identify the highest or otherwise best Qualified Bid or Qualified Bids for the Assets (each, a "**Successful Bid**") and the Qualified Bidder or Qualified Bidders will be deemed the "**Winning Bidder**" or "**Winning Bidders**", as applicable; and

(k) On September 4, 2019, at 11:00 a.m., prevailing Eastern Time, a hearing before the U.S. Court will be held to consider approval of the Successful Bid or Successful Bids (the "**Sale Hearing**").

22. In granting the Bid Procedures Order, the U.S. Court found, among other things, that

(a) the Chapter 11 Debtors articulated good and sufficient reasons for authorizing and approving the Bid Procedures, which are fair, reasonable, and appropriate under the circumstances and are designed to maximize the recovery on, and realizable value of, the Assets, including with respect to the proposed procedures for providing Bid

Protections as determined by the Chapter 11 Debtors in the exercise of their business judgment; and

(b) the best interests of the Chapter 11 Debtors' estates, their creditors, and other parties in interest would be served by granting the Bid Procedures Order.

23. The DIP ABL Credit Agreement requires that the Chapter 11 Debtors apply to the Ontario Court to obtain approval of the Bid Procedures Order within three (3) business days of the entering of the Bid Procedures Order by the U.S. Court. The Foreign Representative intends to return to the Ontario Court at a later date to recognize any Order confirming the Plan.

ii.. Recognition of the Bid Procedures Order is in the Best Interest of All Stakeholders

24. The Chapter 11 Debtors require a path forward if they are going to successfully emerge from their restructuring proceedings. The Plan that has been proposed, including the Bidding Procedures described above, is in the best interests of the Chapter 11 Debtors particularly in light of the fact that if no Qualified Bids are received and the Auction does not occur, the Term Loan Lenders will be deemed the Winning Bidder, and the Chapter 11 Debtors will pursue entry of an Order by the U.S. Court confirming the Plan.[3] As such, in all circumstances a going concern outcome will likely result.

25. The Chapter 11 Debtors are hopeful that the Bid Procedures Order will assist to canvass the market to determine whether there is a transaction that will generate a greater recovery for the Chapter 11 Debtors' estates than the restructuring transaction with the Term Loan Lenders.

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[3] As above, the Foreign Representative intends to return to the Ontario Court at a later date to recognize any Order confirming the Plan.

Recognition of the Bid Procedures Order will allow the Chapter 11 Debtors to move expeditiously through the Chapter 11 Proceedings to an efficient and value-maximizing conclusion.

E. Final DIP ABL Order

26. As described above, on May 23, 2019, the U.S. Court entered the Interim DIP Order pursuant to which the Chapter 11 Debtors obtained authority, on an interim basis, to enter into (i) a $90 million debtor-in-possession ("**DIP**") asset-based loan facility (the "**DIP ABL Facility**") with Wells Fargo Bank, National Association as agent (in such capacity, the "**DIP ABL Agent**") and the lenders who from time to time are a party thereto (the "**DIP ABL Lenders**"); and (ii) an additional $28 million term loan facility (the "**DIP Term Loan Facility**", and together with the DIP ABL Facility, the "**DIP Facilities**") with Barings Finance LLC, as administrative agent (in such capacity, the "**DIP Term Loan Agent**"), and the financial institutions who from time to time are a party thereto (collectively, the "**DIP Term Loan Lenders"** and together with the DIP ABL Lenders, the "**DIP Lenders**") to fund the administration of the Chapter 11 Proceedings.

27. To protect the interests of Hollander Canada and its creditors, the DIP ABL Facility and the Interim DIP Order included certain protections to mitigate any prejudice to creditors of Hollander Canada. Specifically, as described in the Initial Affidavit, the Interim DIP Order included a quasi-marshalling construct whereby the DIP ABL agent is obligated to first look to proceeds of the Chapter 11 Debtors' U.S. collateral to satisfy any outstanding obligations of the U.S. Chapter 11 Debtors under the DIP ABL Facility, and to the proceeds of the Chapter 11 Debtors' Canadian collateral to satisfy any outstanding obligations of Hollander Canada under the DIP ABL Facility. Only once collateral in the U.S. has been exhausted can the DIP ABL Lenders look to the Canadian assets to satisfy any outstanding U.S. obligation (the "**Quasi-Marshalling Construct**").

28. In addition, the DIP ABL Facility and the Interim DIP Order were structured such that if the Chapter 11 Debtors (other than Hollander Canada) require access to the Canadian collateral for additional borrowings, Hollander Canada is permitted to borrow such amounts under the DIP ABL Facility (up to the Canadian Maximum Revolver Amount) and then lend such borrowed amounts to the applicable Chapter 11 Debtor on a superpriority basis (the "**Superpriority Intercompany Loans Charge**").

29. In the weeks following the issuance of the Interim DIP Order, the Chapter 11 Debtors engaged in discussions and negotiations with the UCC and other stakeholders with regards to the terms of a proposed final DIP Order.

30. One of the issues discussed with the UCC and the DIP Term Loan Lenders, among others, was the terms of an exit fee commitment that the Chapter 11 Debtors have agreed to pay to cover the reasonable and documented out-of-pocket expenses incurred by the participating Term Loan Lenders in connection with their commitment to provide an additional $30 million in liquidity to fund go forward operations outside the Chapter 11 Proceedings (the "**Exit Fee Commitment**"). The Chapter 11 Debtors have recently made disclosure of the Exit Fee Commitment and are providing their stakeholders with an opportunity to review the proposed fee structure. However, the time provided to stakeholders to review the Exit Fee Commitment extended beyond the July 1, 2019 "second day" hearing date scheduled with the U.S. Court.

31. Accordingly, in an effort to move the Chapter 11 Proceedings forward in an efficient manner and ensure that the Chapter 11 Debtors have access to the DIP financing provided for under the DIP ABL Facility, while at the same time providing stakeholders with sufficient time to review and consider the Exit Fee Commitment, the Chapter 11 Debtors agreed to bifurcate the final approval of the DIP Facilities: (i) the DIP ABL Facility would be brought before the U.S.

Court for approval on a final basis at the July 1, 2019 hearing; and (ii) the DIP Term Facility would be brought before the U.S. Court for approved on a final basis at a later date. In the interim, the Chapter 11 Debtors requested that the U.S, Court approve the Second Interim DIP Term Order at the July 1 hearing. The Second Interim DIP Term Order provides the Chapter 11 Debtors with access up to $5 million of incremental financing under the DIP Term Loan Facility, to be funded at the discretion of the DIP Term Loan Agent at the direction of the required DIP Term Loan Lenders, during the interim period until a final order approving the DIP Term Loan Facility is entered by the U.S. Court, which is required to occur on or before July 19, 2019 (or such later date as the DIP ABL Agent may agree in its sole discretion) pursuant to the terms of the Final DIP ABL Order.

32. The Second Interim DIP Term Order and the Final DIP ABL Order were entered by the U.S. Court on July 3, 2019, copies of which are attached to the Second Barz Affidavit as Exhibit "O" and Exhibit "Z", respectively.

33. The Final DIP ABL Order contains several amendments from the Interim DIP Order to address comments received from the UCC and other stakeholders, including with respect to reporting obligations, which were resolved consensually. Other notable amendments of relevance to these proceedings include:

(a) Approval of the DIP ABL Facility on a final basis and authorization to borrow up to $90 million under the facility;

(b) A provision providing no Chapter 11 Debtor may object to a credit bid made by the DIP ABL Lenders or ABL Lenders of the amount outstanding under the DIP ABL Facility and ABL Facility (as applicable), including any sale of assets of the Canadian Loan Parties (as defined in the DIP ABL Credit Agreement) with

approval of the Ontario Court, subject to, in the case of the conveyance of any assets of the Canadian Loan Parties, such conveyance being acceptable to the Information Officer;

(c) Notwithstanding the inclusion of a provision providing that the equitable doctrine of marshalling shall not apply, such provision provides for the distribution of proceeds of any realizations in accordance with the Quasi-Marshalling Construct; and

(d) A provision expressly providing that the Superpriority Intercompany Loans Charge is (i) subject to the Carve Out (as defined in the Final DIP ABL Order), which principally includes professional fees, (ii) junior to the DIP ABL Lenders and the ABL Lenders but senior to the Term DIP Loan Lenders and the Term Loan Lenders on the ABL Priority Collateral (as defined in the Final DIP ABL Order), and (iii) junior to the Term DIP Loan Lenders, the Term Loan Lenders, the DIP ABL Lenders and the ABL Lenders on the Term Priority Collateral (as defined in the Final DIP ABL Order).

34. Notably, no substantive changes were made to the the Quasi-Marshalling Construct and Superpriority Intercompany Loans Charge contained in the Interim DIP Order and these provisions remain substantially unchanged in the Final DIP ABL Order.

35. As of July 2, 2019, the U.S. Chapter 11 Debtors and Hollander Canada owe approximately $39.5 million and $3.5 million, respectively, under the DIP ABL Facility. The Chapter 11 Debtors' post-filing cash receipts were used to pay down, in full, the pre-filing obligations under the ABL Facility as of July 1, 2019.

36. The Foreign Representative is now seeking recognition of the Final DIP ABL Order in Canada. The Foreign Representative is also seeking amendments to the Supplemental Order to reflect the terms of the Final DIP ABL Order. Recognition of the Final DIP ABL Order will permit continued operations and consistency in the Chapter 11 Proceedings and is necessary for the protection of the Chapter 11 Debtors' property and the interests of their creditors. I understand that the Information Officer will be filing a Report in connection with the present Motion which comments on the reasonableness of the Final DIP ABL Order.

37. As explained in my Initial Affidavit, the DIP ABL Credit Agreement requires the Chapter 11 Debtors to obtain an order from the Ontario Court recognizing and giving effect to the Final DIP ABL Order within three (3) business days of the day that the Final DIP ABL Order is entered by the U.S. Court. Therefore, it is critical that the Foreign Representative obtain recognition of the above-noted Second Day Orders, including the Final DIP ABL Order and the Bid Procedures Order, as soon as possible to permit the Chapter 11 Debtors to continue as a going concern and to implement the restructuring contemplated by the RSA and the Plan.

SWORN BEFORE ME at the Town of Westport in the State of Connecticut on July 3, 2019.

KRISTEN LASHAR
NOTARY PUBLIC STATE OF CONNECTICUT
My Commission Expires February 28 2022

MARC PFEFFERLE

THIS IS EXHIBIT "C" REFERRED TO IN THE AFFIDAVIT OF MARC PFEFFERLE SWORN ON AUGUST 2 , 2019.

B/S 2

ROBERT E COLAPIETRO
Notary Public
Connecticut
My Commission Expires Feb 28, 2022

Court File No. CV-19-620484-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.	)	THURSDAY, THE 23RD
	)	
JUSTICE HAINEY	)	DAY OF MAY, 2019

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF HOLLANDER SLEEP PRODUCTS, LLC, HOLLANDER SLEEP PRODUCTS CANADA LIMITED, DREAM II HOLDINGS, LLC, HOLLANDER HOME FASHIONS HOLDINGS, LLC, PACIFIC COAST FEATHER, LLC, HOLLANDER SLEEP PRODUCTS KENTUCKY, LLC AND PACIFIC COAST FEATHER CUSHION, LLC

APPLICATION OF HOLLANDER SLEEP PRODUCTS, LLC UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

INITIAL RECOGNITION ORDER
(FOREIGN MAIN PROCEEDING)

THIS APPLICATION, made by Hollander Sleep Products, LLC ("**HSP**") in its capacity as the foreign representative (the "**Foreign Representative**") of HSP, Hollander Sleep Products Canada Limited, Dream II Holdings, LLC, Hollander Home Fashions Holdings, LLC, Pacific Coast Feather, LLC, Hollander Sleep Products Kentucky, LLC and Pacific Coast Feather Cushion, LLC (collectively, the "**Chapter 11 Debtors**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an Order substantially in the form enclosed in the Application Record, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Application, the affidavit of Marc Pfefferle sworn May 23, 2019 (the "**Pfefferle Affidavit**"), filed, the pre-filing report of KSV Kofman Inc., in its capacity

as proposed information officer (the "**Information Officer**") dated May 23, 2019, and upon being provided with copies of the documents required by section 46 of the CCAA,

AND UPON BEING ADVISED by counsel for the Foreign Representative that in addition to this Initial Recognition Order, a Supplemental Order (Foreign Main Proceeding) (the "**Supplemental Order**") is being sought,

AND UPON HEARING the submissions of counsel for the Foreign Representative, counsel for the proposed Information Officer, counsel for the ABL Agent and the DIP ABL Agent (each as defined in the Pfefferle Affidavit) and counsel for the Term Loan Agent and the DIP Term Loan Agent (each as defined in the Pfefferle Affidavit), and those other parties present, no one else appearing although duly served as appears from the affidavit of service of Evan Barz sworn May 23, 2019:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

FOREIGN REPRESENTATIVE

2. **THIS COURT ORDERS AND DECLARES** that the Foreign Representative is the "foreign representative" as defined in section 45 of the CCAA of the Chapter 11 Debtors in respect of the cases commenced in the United States Bankruptcy Court for the Southern District of New York by the Chapter 11 Debtors pursuant to Chapter 11 of the United States Bankruptcy Code (collectively, the "**Foreign Proceeding**").

CENTRE OF MAIN INTEREST AND RECOGNITION OF FOREIGN PROCEEDING

3. **THIS COURT DECLARES** that the centre of its main interests for each of the Chapter 11 Debtors is the United States of America and that the Foreign Proceeding is hereby recognized as a "foreign main proceeding" as defined in section 45 of the CCAA.

STAY OF PROCEEDINGS

4. **THIS COURT ORDERS** that until otherwise ordered by this Court:

(a) all proceedings taken or that might be taken against the Chapter 11 Debtors under the *Bankruptcy and Insolvency Act* or the *Winding-up and Restructuring Act* are stayed;

(b) further proceedings in any action, suit or proceeding against the Chapter 11 Debtors are restrained; and

(c) the commencement of any action, suit or proceeding against the Chapter 11 Debtors is prohibited.

NO SALE OF PROPERTY

5. **THIS COURT ORDERS** that, except with leave of this Court, each of the Chapter 11 Debtors is prohibited from selling or otherwise disposing of:

(a) outside the ordinary course of its business, any of its property in Canada that relates to the business; and

(b) any of its other property in Canada.

GENERAL

6. **THIS COURT ORDERS** that within five (5) business days from the date of this Order, or as soon as practicable thereafter, the Information Officer shall cause to be published a notice once a week for two consecutive weeks, in the Globe and Mail (National Edition) regarding the issuance of this Order and the Supplemental Order.

7. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada and the United States of America, to give effect to this Order and to assist the Chapter 11 Debtors and the Foreign Representative and their respective counsel and agents in carrying out the terms of this Order.

8. **THIS COURT ORDERS AND DECLARES** that this Order shall be effective as of 12:01 a.m. Eastern Standard Time on the date of this Order.

9. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order or seek other relief on not less than seven (7) days notice to the Chapter 11 Debtors and the Foreign Representative and their respective counsel, and to any other party or parties likely to be affected by the order sought, or upon such other notice, if any, as this Court may order.

Hainey J.

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

MAY 23 2019

PER / PAR:

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT,* R.S.C. 1985, C. C-36, AS AMENDED Court File No: CV-19-620484-00CL

AND IN THE MATTER OF HOLLANDER SLEEP PRODUCTS, LLC, HOLLANDER SLEEP PRODUCTS CANADA LIMITED, DREAM II HOLDINGS, LLC, HOLLANDER HOME FASHIONS HOLDINGS, LLC, PACIFIC COAST FEATHER, LLC, HOLLANDER SLEEP PRODUCTS KENTUCKY, LLC AND PACIFIC COAST FEATHER CUSHION, LLC

APPLICATION OF HOLLANDER SLEEP PRODUCTS, LLC UNDER SECTION 46 OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

Applicant

Ontario
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Proceeding commenced at Toronto

INITIAL RECOGNITION ORDER
(FOREIGN MAIN PROCEEDING)

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Lawyers for the Applicant

THIS IS EXHIBIT "D" REFERRED TO IN THE AFFIDAVIT OF MARC PFEFFERLE SWORN ON AUGUST 2, 2019.

RE

ROBERT E COLAPIETRO
Notary Public
Connecticut
My Commission Expires Feb 28, 2022

CITATION: Hollander Sleep Products, LLC et al., Re, 2019 ONSC 3238
COURT FILE NO.: CV-19-620484-00CL
DATE: 2019/05/30

SUPERIOR COURT OF JUSTICE – ONTARIO

- COMMERCIAL LIST

RE: IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT,* R.S.C. 1985, c. C-36, AS AMENDED

AND:

AND IN THE MATTER OF HOLLANDER SLEEP PRODUCTS, LLC, HOLLANDER SLEEP PRODUCTS CANADA LIMITED, DREAM II HOLDINGS, LLC, HOLLANDER HOME FASHIONS HOLDINGS, LLC, PACIFIC COAST FEATHER, LLC, HOLLANDER SLEEP PRODUCTS KENTUCKY, LLC, AND PACIFIC COAST FEATHER CUSHION, LLC

APPLICATION OF HOLLANDER SLEEP PRODUCTS, LLC UNDER SECTION 46 OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

BEFORE: HAINEY J.

COUNSEL: *Shawn Irving and Marc Wasserman*, for the Applicant

Virginie Gauthier, for KSV Kofman Inc.

L. Joseph Latham, for Wells Fargo

Milly Chow and Kelly Bourassa, for Barings Finance LLC

HEARD: May 23, 2019

ENDORSEMENT

BACKGROUND

[1] On May 23, 2019 I granted the application brought by Hollander Sleep Products, LLC ("Hollander Sleep Products"), for orders pursuant to Section 46 through 49 of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 as amended ("CCAA"). I made the following orders:

a) Recognition of the Chapter 11 Cases as foreign main proceedings pursuant to *Part IV of the CCAA;*

c) Appointment of KSV Kofman Inc. ("KSV") as Information Officer;

d) Granting of the DIP ABL Charge; and

e) Granting of the Administration Charge.

[2] I indicated in my endorsement that written reasons would follow. These are my written reasons.

[3] Hollander Sleep Products brings this application in its capacity as the foreign representative (the "Foreign Representative") of itself and Hollander Sleep Products Canada Limited ("Hollander Canada"), Dream II Holdings, LLC, Hollander Home Fashions Holdings, LLC, Pacific Coast Feather, LLC, Hollander Sleep Products Kentucky, LLC, and Pacific Coast Feather Cushion, LLC (collectively, the "Chapter 11 Debtors", and with their other non-debtor affiliates, "Hollander").

FACTS

[4] Hollander is an industry leader in the bedding products market. Hollander manufactures bedding products including pillows, comforters and mattress pads for well-known licensed brands. Hollander also owns and manufactures bedding products under several of its own proprietary brands and also partners with major retailers and hotel chains.

[5] Hollander's corporate headquarters is in Boca Raton, Florida. Hollander has 13 manufacturing facilities located across North America – 11 in the United States and 2 in Canada -- and a primary show room in New York City. Most of Hollander's sales come from wholesale distribution.

Chapter 11 Cases

[6] On May 19, 2019 (the "Petition Date") each of the Chapter 11 Debtors filed voluntary petitions for relief pursuant to Chapter 11 of the *U.S. Bankruptcy Code* (the "Chapter 11 Cases") with the United States Bankruptcy Court for the Southern District of New York (the "U.S. Court"). Certain first day motions (the "First Day Motions") were also filed on May 19, 2019. On May 21, 2019, the U.S. Court heard several of the First Day Motions, and on May 22 and 23, 2019 the court entered various interim or final orders in respect of these motions (the "First Day Orders").

Chapter 11 Debtors

[7] The Chapter 11 Debtors operate on an integrated basis and are incorporated or established under the laws of the United States except for Hollander Canada, which is incorporated under the laws of British Columbia. Each of the Chapter 11 Debtors, including Hollander Canada, is a direct or indirect wholly-owned subsidiary of Dream II Holdings, LLC.

Hollander Canada

[8] Hollander Canada is a fully integrated subsidiary of Hollander. Hollander Canada operates one manufacturing facility in Toronto, one manufacturing facility in Montreal, and maintains a sales office in Toronto.

[9] Hollander Canada employs approximately 240 employees, all of whom are located in Canada. Hollander Canada's workforce is not unionized and it does not maintain any registered pension plans. Its primary stakeholders include employees, lenders, customers, landlords, creditors, and trade-suppliers.

[10] On a standalone basis, Hollander Canada is not profitable. Its 2018 financial statement reflects a net loss of approximately $2.6 million after allocation of selling, general and administrative expenses, including royalties and procurement fees, incurred by the U.S. Chapter 11 Debtors and allocated across the manufacturing facilities for which it provides these and other shared services (the "U.S. Shared Services"). Losses have continued for the four-month period ended April 30, 2019. Currently, approximately $7.2 million of Hollander Canada's $9 million of accounts payable is past due. If the amount owing to Hollander Canada from the U.S. Chapter 11 Debtors was written down to its realizable value and Hollander Canada's allocation of U.S. Shared Services was recorded for the four months ended April 30, 2019, Hollander Canada's shareholder equity would be entirely eroded.

[11] Hollander Canada is entirely dependent on Hollander's U.S. head office for managerial, administrative, IT, strategic services and decisions, and it uses intellectual property almost wholly owned by U.S. Hollander entities. Hollander Canada is also entirely reliant on supply arrangements and relationships of the Hollander enterprise.

Principal Indebtedness

[12] The Chapter 11 Debtors' principal pre-petition indebtedness consists of the following:

a) **Prepetition ABL Facility** – a $125 million senior revolving asset-based credit facility (the "ABL Facility") under which all the Chapter 11 Debtors, including Hollander Canada, are obligors. Hollander Canada may borrow a maximum of $40 million from this facility. Hollander Canada is not jointly or severally liable for the obligations of the U.S. Chapter 11 Debtors under the ABL Facility; however, the U.S. Chapter 11 Debtors are liable for Hollander Canada's borrowings under the ABL Facility. As of the Petition Date, approximately $61 million remains outstanding against the ABL Facility, not including approximately $5 million in letters of credit (the "Prepetition ABL Obligations"). The Prepetition ABL Obligations include approximately $6 million of borrowings by Hollander Canada.

b) **Prepetition Term Loan** – a $190 million senior secured term loan facility (the "Term Loan Facility"). Each Chapter 11 Debtor except Hollander Canada is an obligor under this facility. Hollander Canada is not a borrower or a guarantor of the Term Loan Facility. As of the Petition Date, approximately $166.5 million remains outstanding against the Term Loan Facility.

Recent Events and Proposed Restructuring

[13] Recent substantial price increases on materials have significantly reduced Hollander's already low profit margins for many products. In addition, Hollander acquired one of its major competitors in June 2017. This necessitated the expenditure of additional capital. With

approximately $233 million of outstanding indebtedness and limited access to credit, Hollander is facing severe liquidity constraints.

[14] These circumstances necessitated comprehensive restructuring negotiations with the Chapter 11 Debtors' primary constituency groups. The Chapter 11 Debtors recently agreed with their secured lenders and their majority equity-holder, Sentinel, on a comprehensive restructuring process to ensure the viability of the business. The Chapter 11 Debtors, 100% of the Term Loan Lenders, and Sentinel entered into a restructuring support agreement dated May 19, 2019 (the "RSA"). The RSA contemplates, and the Chapter 11 Debtors have filed, a comprehensive Chapter 11 restructuring plan (the "Plan").

[15] In connection with the RSA, Hollander's asset-based secured lenders have agreed to provide a $90 million debtor-in-possession asset-based loan facility (the "DIP ABL Facility") and certain Term Loan Lenders have agreed to provide an additional $28 million term loan facility (the "DIP Term Loan Facility" and together with the DIP ABL Facility, the "DIP Facilities") to fund the administration of the Chapter 11 Cases.

[16] I am not, at this time, being asked to approve or grant any relief in connection with the Plan. However, the Chapter 11 Debtors have negotiated and incorporated certain protections into the Plan to mitigate against any prejudice to current creditors of Hollander Canada that might result incidentally from a global restructuring. I am satisfied that the Plan represents the Chapter 11 Debtors' best prospect of reorganizing their business operations and emerging as a healthy going-concern enterprise, maximizing recoveries for all stakeholders.

[17] If the Chapter 11 Debtors do not obtain the relief requested on this application, including post-petition financing, they will be unable to restructure pursuant to the Plan. In such a case, a liquidation of the business and assets of the Chapter 11 Debtors, including Hollander Canada, will be the likely result. In a liquidation scenario, there will be a nominal recovery, if any, available for Hollander Canada's unsecured creditors.

Proposed Postpetition Financing

[18] On May 21, 2019, the U.S. Court heard certain of the First Day Motions, including the DIP Motion. At the hearing, the U.S. Court requested certain changes to the DIP Order, which were subsequently made by the Chapter 11 Debtors in consultation with the DIP Lenders. Access to the DIP Facilities is vital to the preservation and maintenance of the going-concern value of Hollander and the Chapter 11 Debtors' successful reorganization.

[19] The $90 million DIP ABL Facility is the critical facility from the perspective of Hollander Canada. Hollander Canada is neither a borrower nor a guarantor of the DIP Term Loan Facility. The DIP ABL Facility is a senior secured credit facility for which all the Chapter 11 Debtors, including Hollander Canada, are borrowers. The DIP ABL Facility provides for an initial "creeping (or gradual) roll-up" whereby the Chapter 11 Debtors will use receipts from the Chapter 11 Debtors' operations to pay down pre-filing obligations pending the issuance of the Final DIP Order, whereupon there will be a deemed draw on the DIP ABL Facility to satisfy the then outstanding prepetition debt, if any, under the ABL Facility. Hollander Canada is entitled to

borrow up to $20 million under the DIP ABL Facility, less the amount of Hollander Canada's prepetition obligations under the ABL Facility that are to be rolled-up into the DIP ABL Facility.

[20] With respect to prepetition debt under the ABL Facility, Hollander Canada is not jointly or severally liable for amounts drawn down by the U.S. Chapter 11 Debtors. However, Hollander Canada will be jointly and severally liable with the other Chapter 11 Debtors in respect of borrowings under the DIP ABL Facility, including borrowings to repay amounts drawn down under the prepetition ABL Facility by the U.S. Chapter 11 Debtors. The DIP ABL Lenders have indicated they are unwilling to enter into the DIP ABL Facility unless Hollander Canada is jointly and severally liable for all obligations under the DIP ABL Facility, including those incurred by the U.S. borrowers.

[21] It is a condition of the DIP Facilities that the Chapter 11 Debtors obtain an order from this Court recognizing the DIP Order within three business days of when the DIP Order was issued by the U.S. Court. The DIP ABL Facility requires that the DIP Order be recognized by this Court before any borrowing by Hollander Canada will be permitted under the DIP ABL Facility.

[22] I have concluded that the ability of the Chapter 11 Debtors, including Hollander Canada, to maintain business relationships with their vendors, suppliers and customers, to pay their employees and otherwise finance their operations requires the availability of working capital from the DIP Facilities. The Chapter 11 Debtors, including Hollander Canada on a standalone basis, do not have sufficient available sources of working capital and financing to operate their businesses without immediate access to the DIP Facilities.

ISSUES

[23] I must decide the following issues:

a) Are the Chapter 11 Cases "foreign main proceedings" pursuant to Part IV of the CCAA?

b) If so, are the Chapter 11 Debtors entitled to the relief sought in the Initial Recognition Order and Supplemental Order, including,

(i) Granting the Stay of Proceedings;

(ii) Recognition of the First Day Orders;

(iii) Granting the DIP ABL Charge;

(iv) Appointing KSV as Information Officer; and

(v) Granting the Administration Charge?

ANALYSIS

Are the Chapter 11 Cases Foreign Main Proceedings?

Are the Chapter 11 Cases Foreign Proceedings?

[24] I must first determine if the Chapter 11 Cases are foreign proceedings. It is important to note that the purpose of Part IV of the CCAA is to facilitate the administration of cross-border insolvencies and create a system under which foreign insolvency proceedings can be recognized in Canada. Section 44 of the CCAA provides as follows:

> 44. The purpose of this Part is to provide mechanisms for dealing with cases of cross- border insolvencies and to promote
>
> (a) cooperation between the courts and other competent authorities in Canada with those of foreign jurisdictions in cases of cross-border insolvencies;
>
> (b) greater legal certainty for trade and investment;
>
> (c) the fair and efficient administration of cross-border insolvencies that protects the interests of creditors and other interested persons, and those of debtor companies;
>
> (d) the protection and the maximization of the value of debtor company's property; and
>
> (e) the rescue of financially troubled businesses to protect investment and preserve employment.

[25] Pursuant to S. 46(1) of the CCAA, a person who is a foreign representative may apply to the court for recognition of a foreign proceeding in respect of which that person is a foreign representative. Pursuant to S. 47 of the CCAA, the two following requirements must be met for an order recognizing a foreign proceeding:

a) the proceeding is a "foreign proceeding"; and

b) the applicant is a "foreign representative" in respect of that foreign proceeding.

[26] In the Chapter 11 Cases, an order was made appointing Hollander Sleep Products as foreign representative by the U.S. Court on May 23, 2019. (the "Foreign Representative Order").

[27] Section 45(1) of the CCAA defines a "foreign proceeding" as any judicial proceeding in a jurisdiction outside of Canada dealing with creditors' collective interests generally under any law relating to bankruptcy or insolvency in which a debtor company's business and financial affairs are subject to control or supervision by a foreign court for the purpose of reorganization. Courts have consistently recognized proceedings under Chapter 11 of the United States Bankruptcy Code to be foreign proceedings for the purposes of the CCAA.

[28] Because Hollander Sleep Products has been appointed a "foreign representative" by the U.S. Court in the Chapter 11 Cases, I am satisfied that the Chapter 11 cases should be recognized as a "foreign proceeding" pursuant to S. 47(1) of the CCAA.

Are the Chapter 11 Cases Foreign Main Proceedings?

[29] Once I have determined that a proceeding is a "foreign proceeding", I am required, pursuant to Section 47(2) of the CCAA, to specify in my order whether the foreign proceeding is a "foreign main proceeding" or a "foreign non-main proceeding." A "foreign main proceeding" is defined as a "foreign proceeding in a jurisdiction where the debtor company has the centre of its main interests" ("COMI").

[30] The CCAA does not provide a definition of COMI. Section 45(2) of the CCAA establishes a rebuttable presumption that, in the absence of proof to the contrary, the location of a debtor company's registered office is deemed to be its COMI. Evidence regarding the debtor company's operations can rebut this presumption. Part IV of the CCAA does not specifically consider the circumstances facing corporate groups. It is therefore necessary to conduct the COMI analysis on an entity-by-entity basis.

[31] In this case the registered offices of all of the Chapter 11 Debtors except for Hollander Canada, are situated in the United States. Therefore, the presumption in s. 45(2) of the CCAA deems the COMI of each of those entities to be in the United States.

[32] Hollander Canada's registered head office is in Vancouver. Where a Canadian entity is operating as part of a larger corporate group, several Canadian authorities have considered how COMI should be determined. In *Angiotech*[1], the Court considered the following factors:

a) the location where corporate decisions are made;

b) the location of employee administrations, including human resource functions;

c) the location of the company's marketing and communication functions;

d) whether the enterprise is managed on a consolidated basis;

e) the extent of integration of an enterprise's international operations;

f) the centre of an enterprise's corporate, banking, strategic and management functions;

g) the existence of shared management within entities and in an organization;

h) the location where cash management and accounting functions are overseen;

i) the location where pricing decisions and new business development initiatives are created; and

j) the seat of an enterprise's treasury management functions, including management of accounts receivable and accounts payable.

---

[1] *Angiotech Pharmaceuticals Inc. (Re)*, 2011 BCSC 115 at para 7.

[33] In *Elephant & Castle*[2], Morawetz J. (as he then was) recognized the *Angiotech* factors listed above and identified what he considered to be the most significant factors as follows:

> However, it seems to me, in interpreting COMI, the following factors are usually significant:
>
> (a) the location of the debtor's headquarters or head office functions or nerve centre;
>
> (b) the location of the debtor's management; and
>
> (c) the location which significant creditors recognize as being the centre of the company's operations.

[34] The jurisprudence is clear that where a Canadian debtor company is the only Canadian entity among a number of other Chapter 11 debtors that are all incorporated in the United States, the COMI for the Canadian debtor company is the United States.

[35] I have concluded for the following reasons that Hollander Canada's COMI is in the United States:

a) Hollander Canada's business is closely integrated into Hollander's business in the U.S. and its registered office is listed in Canada only for corporate purposes;

b) Managerial functions for Hollander Canada, including finance, buying, logistics, marketing, and strategic decisions, are provided from Hollander's U.S. head office by Hollander Sleep Products;

c) Hollander Canada is almost wholly dependent on Hollander's U.S. office for administrative functions such as overhead services, accounting, and IT, which are provided by Hollander Sleep Products in the U.S.;

d) Data for Hollander Canada's operations is housed within IT systems, located and operated out of the U.S.;

e) Hollander Canada is reliant on the purchasing power and supplier relationships of the Hollander enterprise, and on its own could not replicate the supply arrangements necessary for its continued functioning;

f) Hollander Canada's books and records are maintained at Hollander's head office in Boca Raton, Florida;

g) All of Hollander Canada's directors reside in the United States;

h) Canadian revenues make up only 10.7% of Hollander's revenues;

---

[2] *Massachusetts Elephant & Castle Group Inc., (Re),* 2011 ONSC 4201 (S.C.J. [Commercial List]).

i) Hollander Canada is entirely dependent on the U.S. Chapter 11 Debtors for the majority of licensing agreements, design partnerships, and company-owned brands;

j) Substantially all of the trademarks and intellectual property relied on by Hollander Canada are owned by the U.S. Chapter 11 Debtors;

k) The Chapter 11 Debtors, including Hollander Canada, operate an integrated, centralized cash management system; and

l) Hollander Canada is dependent on the U.S. Chapter 11 Debtors for the establishment, maintenance, and administration of certain customer promotional programs involving Hollander Canada's key customers.

[36] Since all the Chapter 11 Debtors except Hollander Canada have registered offices in the United States, and since a review of Hollander Canada's business indicates that its COMI is in the United States, The COMI of all the Chapter 11 Debtors is in the United States and therefore the Chapter 11 Cases should be recognized as "foreign main proceedings".

SHOULD THE INITIAL RECOGNITION ORDER AND SUPPLEMENTAL ORDER BE GRANTED?

Is a Stay of Proceedings Required and Appropriate?

[37] Section 48(1) of the CCAA provides that once the Court has found that a foreign proceeding is a "foreign main proceeding", it is required to grant certain mandatory relief, including a stay of proceedings:

[38] In addition to the automatic relief provided for in s. 48, s.49 of the CCAA grants me the broad discretion to make any appropriate order if I am satisfied that it is necessary for the protection of the debtor company's property or the interests of creditors.

[39] Section 52(1) of the CCAA requires that if an order recognizing a foreign proceeding is made, the Court "shall cooperate, to the maximum extent possible, with the foreign representative and the foreign court involved in the foreign proceeding."

[40] Because of the circumstances facing Hollander, Hollander Canada and the other Chapter 11 Debtors, I am satisfied that a stay of proceedings is necessary in order to implement the proposed restructuring.

Should the First Day Orders be Recognized?

[41] The central principle governing Part IV of the CCAA is comity, which mandates that Canadian courts should recognize and enforce the judicial acts of other jurisdictions, provided that those other jurisdictions have assumed jurisdiction on a basis consistent with principles of order, predictability and fairness.

[42] Canadian courts have emphasized the importance of comity and cooperation in cross-border insolvency proceedings to avoid multiple proceedings, inconsistent judgments and general

uncertainty. Coordination of international insolvency proceedings is particularly critical in ensuring the equal and fair treatment of creditors regardless of their location.

[43] I am satisfied that the First Day Orders should be recognized for the following reasons:

a) The U.S. Court has appropriately taken jurisdiction over the Chapter 11 Cases, so comity will be furthered by this Court's recognition of and support for the Chapter 11 Cases already under way in the United States;

b) Coordination of proceedings in the two jurisdictions will ensure equal and fair treatment of all stakeholders, whether they are in the United States or Canada;

c) Given the close connection between Hollander and the United States, it is reasonable and sensible for the U.S. Court to have principal control over the insolvency process. This will produce the most efficient restructuring for the benefit of all stakeholders;

d) The Chapter 11 Debtors must act quickly because of the expeditious timetable established under the Plan for their restructuring. It is imperative that there be a centralized and co-ordinated process for these insolvency proceedings to maximize the prospect of a successful restructuring and preserve value for stakeholders; and

e) The Canadian and U.S. operations of Hollander are highly integrated.

Should the DIP ABL Charge be Granted?

[44] The Chapter 11 Debtors are facing a liquidity crisis and require DIP financing to fund their operations while they pursue a restructuring pursuant to the Plan or a sale in accordance with the marketing process to be conducted as part of the Chapter 11 proceeding. The ability of the Chapter 11 Debtors, including Hollander Canada, to maintain and finance their operations requires working capital from the DIP Facilities. If interim financing through the DIP Facilities is not obtained, neither the Chapter 11 Debtors as a whole, nor Hollander Canada on a standalone basis, have the funds to finance going-concern operations.

[45] The DIP ABL Facility includes an initial creeping roll-up provision pursuant to which the Chapter 11 Debtors will use receipts from their operations to pay down pre-filing obligations pending the issuance of the Final DIP Order. The amount borrowed under the DIP ABL Facility is proposed to be secured by, among other things, a court-ordered charge on Hollander Canada's property and the property of the other Chapter 11 Debtors in Canada (the "DIP ABL Charge").

[46] This court has concluded in previous proceedings that there is no impediment to granting approval of interim DIP financing including a full roll-up provision in foreign recognition proceedings under Part IV of the CCAA[3].

---

[3] *Hartford Computer Hardware Inc., (Re),* 2012 ONSC 964 at paras. 18-19.

[47] In *Hartford*, an application under Part IV of the CCAA, this court recognized a DIP facility authorized by the U.S. Court that included a full roll-up, and emphasized the importance of comity in foreign recognition proceeding as follows:

> The Information Officer and Chapter 11 Debtors recognize that in CCAA proceedings, a partial "roll up" provision would not be permissible as a result of s.11.2 of the CCAA, which expressly provides that a DIP charge may not secure an obligation that exists before the Initial Order is made.
>
> Section 49 of the CCAA provides that, in recognizing an order of a foreign court, the court may make any order that it considers appropriate, provided the court is satisfied that it is necessary for the protection of the debtor company's property or the interests of the creditor or creditors.
>
> It is necessary, in my view, to emphasize that this is a motion to recognize an order made in the "foreign main proceeding"....
>
> A significant factor to take into account is that the Final DIP Facility Order was granted by the U.S. Court. In these circumstances, I see no basis for this court to second guess the decision of the U.S. Court.

[48] For the same reasons I am satisfied that the DIP Order should be approved. The U.S. Court granted the DIP Order because it is necessary for the protection of Hollander's property and for the interests of creditors in Canada and the U.S.

[49] The DIP ABL Facility provides that Hollander Canada is jointly and severally liable for the borrowings of other Chapter 11 Debtors under the DIP ABL Facility.

[50] I have concluded that the following factors support recognizing Hollander Canada's joint and several liability under the DIP Order and the DIP ABL Charge:

a) The DIP ABL Charge furthers the objectives of the CCAA and is commercially reasonable as it allows the Chapter 11 Debtors to continue operations and pursue a restructuring or going-concern sale as outlined in the proposed Plan;

b) An estimated cash flow forecast extracted from the DIP budget reveals that Hollander Canada is projected to generate negative cash flow until at least July 1, 2019;

c) The Chapter 11 Debtors, including Hollander Canada, need immediate access to the DIP ABL Facility to ensure their continued operations during these proceedings;

d) The DIP ABL Lenders are unwilling to provide funding to the Chapter 11 Debtors without Hollander Canada's joint and several liability under the DIP ABL Facility;

e) The proposed DIP Facilities and Plan are supported by all secured creditors with an economic interest in Hollander Canada; and

f) If the DIP ABL Charge is not granted, the restructuring contemplated by the Plan will not be implemented, likely resulting in liquidation. In a liquidation scenario, Hollander Canada's creditors will likely obtain only nominal recoveries, if any.

[51] To protect the interests of Hollander Canada and its creditors, the Chapter 11 Debtors negotiated certain protections to mitigate any prejudice to Hollander Canada's creditors. Specifically, the DIP Order includes a quasi-marshalling construct whereby the DIP ABL Agent is obligated to first look to proceeds of the Chapter 11 Debtors' U.S. collateral to satisfy any outstanding obligations of the U.S. Chapter 11 Debtors under the DIP ABL Facility, and to the proceeds of the Chapter 11 Debtors' Canadian collateral to satisfy any outstanding obligations of Hollander Canada under the DIP ABL Facility. Only once collateral in the U.S. has been exhausted can the DIP ABL Lenders look to the Canadian assets to satisfy any outstanding U.S. obligation.

[52] The absence of prejudice to creditors of Hollander Canada, and the DIP ABL Lenders' consent to the quasi-marshalling construct, are key factors distinguishing this case from *Payless Holdings Inc. LLC, (Re)*. In *Payless*, also a proceeding under Part IV of the CCAA, this court declined to approve a DIP order and lenders' charge that would have required the solvent Canadian applicants to guarantee borrowings from the DIP facility even though they would not receive advances from it. The DIP facility was opposed by the Canadian landlords who were uniquely prejudiced by its terms. The DIP facility in that case specifically precluded marshalling.

[53] I have concluded that the Court's decision in *Payless* is distinguishable from this case for the following reasons as set out in the applicant's factum:

a) In *Payless*, the Canadian Applicants were not insolvent, were not prepetition borrowers, had never granted security and were not borrowers under the DIP facility. In this case, Hollander Canada is insolvent, its assets are encumbered, and it is incapable of maintaining going concern operations without urgent funding support from the DIP ABL Facility. For instance, $7.2 million of Hollander Canada's accounts payable are currently past due; without support from the DIP ABL Facility, Hollander does not have sufficient liquidity to satisfy these obligations.

b) In *Payless*, there was evidence of material prejudice to Canadian creditors and certain Canadian creditor groups opposed the DIP order because they were disadvantaged. In this case, no such material prejudice or unequal treatment exists with respect to the creditors of Hollander Canada or the other Chapter 11 Debtors.

c) In *Payless*, the Court intimated that if marshalling had been permitted, the inequitable treatment of Canadian creditors would have been resolved. In this case, the DIP ABL Lenders have specifically agreed to a quasi marshalling concept to ensure that Canadian assets are used first to satisfy Canadian DIP ABL indebtedness, and not applied to satisfy U.S. DIP ABL indebtedness until all U.S. assets are first exhausted.

[54] I have concluded that the DIP ABL Charge should be granted for these reasons.

SHOULD KSV BE APPOINTED INFORMATION OFFICER?

[55] I am satisfied that an information officer should be appointed to assist with the cooperation between the Canadian foreign recognition proceeding and the foreign representative and the U.S. Court. Further, KSV, a licensed insolvency trustee, is appropriate to act in this capacity.

SHOULD AN ADMINISTRATIVE CHARGE BE APPROVED?

[56] Finally, I am satisfied that an administration charge in the maximum amount of $200,000 is reasonable and appropriate.

CONCLUSION

[57] For these reasons I have granted the Initial Recognition Order and the Supplemental Order.

[58] I am grateful to the applicant's counsel for their helpful submission.

HAINEY J.

Date: May 30, 2019

THIS IS EXHIBIT "E" REFERRED TO IN THE AFFIDAVIT OF MARC PFEFFERLE SWORN ON AUGUST 2, 2019.

REC

ROBERT E COLAPIETRO
Notary Public
Connecticut
My Commission Expires Feb 28, 2022

Court File No. CV-19-620484-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.	)	THURSDAY, THE 23RD
	)	
JUSTICE HAINEY	)	DAY OF MAY, 2019

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF HOLLANDER SLEEP PRODUCTS, LLC, HOLLANDER SLEEP PRODUCTS CANADA LIMITED, DREAM II HOLDINGS, LLC, HOLLANDER HOME FASHIONS HOLDINGS, LLC, PACIFIC COAST FEATHER, LLC, HOLLANDER SLEEP PRODUCTS KENTUCKY, LLC AND PACIFIC COAST FEATHER CUSHION, LLC

APPLICATION OF HOLLANDER SLEEP PRODUCTS, LLC UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

SUPPLEMENTAL ORDER
(FOREIGN MAIN PROCEEDING)

THIS APPLICATION, made by Hollander Sleep Products, LLC ("**HSP**") in its capacity as the foreign representative (the "**Foreign Representative**") of HSP, Hollander Sleep Products Canada Limited ("**Hollander Canada**"), Dream II Holdings, LLC, Hollander Home Fashions Holdings, LLC, Pacific Coast Feather, LLC, Hollander Sleep Products Kentucky, LLC and Pacific Coast Feather Cushion, LLC (collectively, the "**Chapter 11 Debtors**" and each, a "**Chapter 11 Debtor**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an Order substantially in the form enclosed in the Application Record, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Application, the affidavit of Marc Pfefferle sworn May 23, 2019 (the "**Pfefferle Affidavit**"), filed, the pre-filing report of KSV Kofman Inc., in its capacity as proposed Information Officer (as defined herein) dated May 23, 2019 (the "**Pre-Filing**

Report"), and upon being provided with copies of the documents required by section 46 of the CCAA,

AND UPON HEARING the submissions of counsel for the Foreign Representative, counsel for the proposed Information Officer, counsel for the ABL Agent and the DIP ABL Agent (each as defined in the Pfefferle Affidavit) and counsel for the Term Loan Agent and the DIP Term Loan Agent (each as defined in the Pfefferle Affidavit), and those other parties present, no one else appearing although duly served as appears from the affidavit of service of Evan Barz sworn May 23, 2019:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that capitalized terms used herein and not otherwise defined have the meaning given to them in the Pfefferle Affidavit.

INITIAL RECOGNITION ORDER

3. **THIS COURT ORDERS** that the provisions of this Order shall be interpreted in a manner complementary and supplementary to the provisions of the Initial Recognition Order (Foreign Main Proceeding) dated as of May 23, 2019 (the "**Recognition Order**"), provided that in the event of a conflict between the provisions of this Order and the provisions of the Recognition Order, the provisions of the Recognition Order shall govern.

RECOGNITION OF FOREIGN ORDERS

4. **THIS COURT ORDERS** that the following orders (collectively, the "**Foreign Orders**") of the United States Bankruptcy Court for the Southern District of New York (the "**U.S. Bankruptcy Court**") made in the Foreign Proceeding (as defined in the Recognition Order) are hereby recognized and given full force and effect in all provinces and territories of Canada pursuant to section 49 of the CCAA:

(a) *Order (A) Authorizing Hollander Sleep Products, LLC to Act as Foreign Representative and (B) Granting Related Relief* (the "**Foreign Representative Order**");

(b) *Order (A) Directing Joint Administration of Chapter 11 Cases and (B) Granting Related Relief* (the "**Joint Administration Order**");

(c) *Interim Order (I) Authorizing the Debtors to (A) Pay Prepetition Employee Wages, Salaries, Other Compensation, and Reimbursable Employee Expenses and (B) Continue Employee Benefits Programs and (II) Granting Related Relief* (the "**Interim Employee Wages Order**");

(d) *Interim Order (I) Authorizing the Debtors to (A) Continue to Operate Their Cash Management System, (B) Honor Certain Prepetition Obligations Related Thereto, (C) Maintain Existing Business Forms, and (D) Continue to Perform Intercompany Transactions, and (II) Granting Related Relief* (the "**Interim Cash Management Order**");

(e) *Interim Order (A) Authorizing the Debtors to Obtain Postpetition Financing, (B) Authorizing the Debtors to Use Cash Collateral, (C) Granting Liens and Providing Superpriority Administrative Expense Status, (D) Granting Adequate Protection to the Prepetition Lenders, (E) Modifying the Automatic Stay, (F) Scheduling a Final Hearing, and (G) Granting Related Relief* (the "**Interim DIP Order**");

(f) *Interim Order (I) Authorizing the Debtors to Pay Prepetition Claims of (A) Lien Claimants, (B) Import Claimant, (C) 503(B)(9) Claimants, (D) Foreign Vendors, and (E) Critical Vendors, (II) Confirming Administrative Expense Priority of Outstanding Orders, and (III) Granting Related Relief* (the "**Interim Critical Vendors and Shippers Order**"); and

(g) *Interim Order (A) Authorizing the Debtors to Maintain and Administer Their Existing Customer Programs and Honor Certain Prepetition Obligations Related Thereto and (B) Granting Related Relief* (the "**Interim Customer Programs Order**")

(copies of each such Foreign Orders are attached as Schedules "A" to "G" hereto);

provided, however, that in the event of any conflict between the terms of the Foreign Orders and the Orders of this Court made in the within proceedings, the Orders of this Court shall govern with respect to Property (as defined below) in Canada.

APPOINTMENT OF INFORMATION OFFICER

5. **THIS COURT ORDERS** that KSV Kofman Inc. (the "**Information Officer**") is hereby appointed as an officer of this Court, with the powers and duties set out herein.

NO PROCEEDINGS AGAINST THE CHAPTER 11 DEBTORS OR THE PROPERTY

6. **THIS COURT ORDERS** that from the date of the Recognition Order until such date as this Court may order (the "**Stay Period**") no proceeding or enforcement process in any court or tribunal in Canada (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Chapter 11 Debtors or affecting their business (the "**Business**") or their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"), except with leave of this Court, and any and all Proceedings currently under way against or in respect of any of the Chapter 11 Debtors or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

7. **THIS COURT ORDERS** that, without limiting the stay of proceedings provided for in the Recognition Order, during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Chapter 11 Debtors, or

affecting the Business or the Property, are hereby stayed and suspended except with leave of this Court, provided that nothing in this Order shall (a) prevent the assertion of or the exercise of rights and remedies outside of Canada, (b) empower any of the Chapter 11 Debtors to carry on any business in Canada which that Chapter 11 Debtor is not lawfully entitled to carry on, (c) affect such investigations or Proceedings by a regulatory body as are permitted by section 11.1 of the CCAA, (d) prevent the filing of any registration to preserve or perfect a security interest, or (e) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

8. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by any of the Chapter 11 Debtors and affecting the Business in Canada, except with leave of this Court.

ADDITIONAL PROTECTIONS

9. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Chapter 11 Debtors or statutory or regulatory mandates for the supply of goods and/or services in Canada, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services provided in respect of the Property or Business of the Chapter 11 Debtors, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Chapter 11 Debtors, and that the Chapter 11 Debtors shall be entitled to the continued use in Canada of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names.

10. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Chapter 11 Debtors with respect to any claim against the directors or officers that arose before the date of the Recognition Order and that relates to any obligations of the Chapter 11 Debtors whereby the directors or officers are alleged

under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations.

11. **THIS COURT ORDERS** that no Proceeding shall be commenced or continued against or in respect of the Information Officer, except with leave of this Court. In addition to the rights and protections afforded the Information Officer herein, or as an officer of this Court, the Information Officer shall have the benefit of all of the rights and protections afforded to a Monitor under the CCAA, and shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part.

OTHER PROVISIONS RELATING TO INFORMATION OFFICER

12. **THIS COURT ORDERS** that the Information Officer:

(a) is hereby authorized to provide such assistance to the Foreign Representative in the performance of its duties as the Foreign Representative may reasonably request;

(b) shall report to this Court periodically with respect to the status of these proceedings and the status of the Foreign Proceeding, which reports may include information relating to the Property, the Business, or such other matters as may be relevant to the proceedings herein;

(c) in addition to the periodic reports referred to in paragraph 12(b) above, the Information Officer may report to this Court at such other times and intervals as the Information Officer may deem appropriate with respect to any of the matters referred to in paragraph 12(b) above;

(d) shall have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Chapter 11 Debtors, to the extent that is necessary to perform its duties arising under this Order; and

(e) shall be at liberty to engage independent legal counsel or such other persons as the Information Officer deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order.

13. **THIS COURT ORDERS** that the Chapter 11 Debtors and the Foreign Representative shall (a) advise the Information Officer of all material steps taken by the Chapter 11 Debtors or the Foreign Representative in these proceedings or in the Foreign Proceeding, (b) co-operate fully with the Information Officer in the exercise of its powers and discharge of its obligations, and (c) provide the Information Officer with the assistance that is necessary to enable the Information Officer to adequately carry out its functions.

14. **THIS COURT ORDERS** that the Information Officer shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

15. **THIS COURT ORDERS** that the Information Officer (a) shall post on its website all Orders of this Court made in these proceedings, all reports of the Information Officer filed herein, and such other materials as this Court may order from time to time, and (b) may post on its website any other materials that the Information Officer deems appropriate.

16. **THIS COURT ORDERS** that the Information Officer may provide any creditor of a Chapter 11 Debtor with information provided by the Chapter 11 Debtors in response to reasonable requests for information made in writing by such creditor addressed to the Information Officer. The Information Officer shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Information Officer has been advised by the Chapter 11 Debtors is privileged or confidential, the Information Officer shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Information Officer, the Foreign Representative and the relevant Chapter 11 Debtors may agree.

17. **THIS COURT ORDERS** that the Information Officer and counsel to the Information Officer shall be paid by the Chapter 11 Debtors their reasonable fees and disbursements incurred

in respect of these proceedings, both before and after the making of this Order, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts. The Chapter 11 Debtors are hereby authorized and directed to pay the accounts of the Information Officer and counsel for the Information Officer.

18. **THIS COURT ORDERS** that the Information Officer and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Information Officer and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice, and the accounts of the Information Officer and its counsel shall not be subject to approval in the Foreign Proceeding.

19. **THIS COURT ORDERS** that the Information Officer and counsel to the Information Officer shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property in Canada, which charge shall not exceed an aggregate amount of US$200,000 as security for their professional fees and disbursements incurred in respect of these proceedings, both before and after the making of this Order. The Administration Charge shall have the priority set out in paragraphs 21 through 26 hereof.

INTERIM FINANCING

20. **THIS COURT ORDERS** that the DIP ABL Agent, for and on behalf of itself and the DIP ABL Lenders, shall be entitled to the benefit of and is hereby granted a charge (the "**DIP ABL Charge**") on the Property in Canada, which DIP ABL Charge shall be consistent with the liens and charges created by the Interim DIP Order with respect to the Property in Canada, shall have the priority set out in paragraphs 21 through 26 hereof, and further provided that the DIP ABL Charge shall not be enforced except with leave of this Court on notice to the Information Officer and those parties on the service list established for these proceedings.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

21. **THIS COURT ORDERS** that the priorities of the Administration Charge and the DIP ABL Charge, as among them, shall be as follows:

(a) First – Administration Charge (to the maximum amount of US$200,000); and

(b) Second – DIP ABL Charge.

22. **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge or the DIP ABL Charge (collectively, the "**Charges**") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect the Charges.

23. **THIS COURT ORDERS** that the Charges (as constituted and defined herein) shall constitute a charge on the Property in Canada and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.

24. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Chapter 11 Debtors shall not grant any Encumbrances over any Property in Canada that rank in priority to, or *pari passu* with, the Charges, unless the Chapter 11 Debtors also obtain the prior written consent of the Information Officer, the DIP ABL Agent and the DIP Term Loan Agent.

25. **THIS COURT ORDERS** that the Administration Charge and the DIP ABL Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "**BIA**"), or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative

covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds any Chapter 11 Debtor, and notwithstanding any provision to the contrary in any Agreement:

(i) the creation of the Charges shall not create or be deemed to constitute a breach by a Chapter 11 Debtor of any Agreement to which it is a party;

(ii) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and

(iii) the payments made by the Chapter 11 Debtors to the Chargees pursuant to this Order, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

26. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the applicable Chapter 11 Debtors' interest in such real property leases.

ASSET SALES

27. **THIS COURT ORDERS** that, notwithstanding paragraph 5 of the Recognition Order, Hollander Canada shall be permitted, with the prior consent of the Information Officer, to sell or otherwise dispose of its fixed assets located in Toronto, Ontario, solely to the extent permitted by the DIP ABL Credit Agreement in an amount not to exceed US$250,000 in the aggregate, without seeking leave of this Court.

SERVICE AND NOTICE

28. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute

an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: https://www.ksvadvisory.com/insolvency-cases/case/hollander-sleep-products-canada-limited.

29. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Chapter 11 Debtors, the Foreign Representative and the Information Officer are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Chapter 11 Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the applicable Chapter 11 Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

SEALING

30. **THIS COURT ORDERS** that Confidential Appendix "1" to the Pre-Filing Report shall be and is hereby sealed, kept confidential and shall not form part of the public record pending further Order of this Court.

GENERAL

31. **THIS COURT ORDERS** that the Information Officer may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

32. **THIS COURT ORDERS** that nothing in this Order shall prevent the Information Officer from acting as an interim receiver, a receiver, a receiver and manager, a monitor, a proposal trustee, or a trustee in bankruptcy of any Chapter 11 Debtor, the Business or the Property.

33. **THIS COURT ORDERS** that within five (5) business days from the date of this Order, or as soon as practicable thereafter, the Information Officer shall cause to be published a notice once a week for two consecutive weeks, in the Globe and Mail (National Edition) regarding the issuance of this Order and the Recognition Order.

34. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States of America, to give effect to this Order and to assist the Chapter 11 Debtors, the Foreign Representative, the Information Officer, and their respective counsel and agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Chapter 11 Debtors, the Foreign Representative and the Information Officer, the latter as an officer of this Court, as may be necessary or desirable to give effect to this Order, or to assist the Chapter 11 Debtors, the Foreign Representative, the Information Officer, and their respective counsel and agents in carrying out the terms of this Order.

35. **THIS COURT ORDERS** that each of the Chapter 11 Debtors, the Foreign Representative and the Information Officer be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

36. **THIS COURT ORDERS** that the Guidelines for Communication and Cooperation between Courts in Cross-Border Insolvency Matters issued by the Judicial Insolvency Network and adopted by this Court and the U.S. Bankruptcy Court and attached as Schedule "H" hereto (the "**JIN Guidelines**"), are hereby adopted by this Court for the purposes of these recognition proceedings.

37. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order or seek other relief on not less than seven (7) days' notice to the Chapter 11 Debtors, the Foreign Representative, the Information Officer, the DIP ABL Agent, the DIP Term Loan Agent and their respective counsel, and to any other party or parties likely to be affected by the order sought, or upon such other notice, if any, as this Court may order.

38. **THIS COURT ORDERS** that this Order shall be effective as of 12:01 a.m. Eastern Standard Time on the date of this Order.

Hainey J.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

MAY 24 2019

PER / PAR:

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT,* R.S.C. 1985, C. C-36, AS AMENDED Court File No: CV-19-620484-00CL

AND IN THE MATTER OF HOLLANDER SLEEP PRODUCTS, LLC, HOLLANDER SLEEP PRODUCTS CANADA LIMITED, DREAM II HOLDINGS, LLC, HOLLANDER HOME FASHIONS HOLDINGS, LLC, PACIFIC COAST FEATHER, LLC, HOLLANDER SLEEP PRODUCTS KENTUCKY, LLC AND PACIFIC COAST FEATHER CUSHION, LLC

APPLICATION OF HOLLANDER SLEEP PRODUCTS, LLC UNDER SECTION 46 OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

Applicant

Ontario
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Proceeding commenced at Toronto

SUPPLEMENTAL ORDER
(FOREIGN MAIN PROCEEDING)

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Lawyers for the Applicant

THIS IS EXHIBIT "F" REFERRED TO IN THE AFFIDAVIT OF MARC PFEFFERLE SWORN ON AUGUST 2, 2019.

ROBERT E COLAPIETRO
Notary Public
Connecticut
My Commission Expires Feb 28, 2022

Court File No. CV-19-620484-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.	)	FRIDAY, THE 5TH
	)	
JUSTICE HAINEY	)	DAY OF JULY, 2019

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF HOLLANDER SLEEP PRODUCTS, LLC, HOLLANDER SLEEP PRODUCTS CANADA LIMITED, DREAM II HOLDINGS, LLC, HOLLANDER HOME FASHIONS HOLDINGS, LLC, PACIFIC COAST FEATHER, LLC, HOLLANDER SLEEP PRODUCTS KENTUCKY, LLC AND PACIFIC COAST FEATHER CUSHION, LLC

APPLICATION OF HOLLANDER SLEEP PRODUCTS, LLC UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

RECOGNITION ORDER

THIS MOTION, made by Hollander Sleep Products, LLC ("**HSP**") in its capacity as the foreign representative (the "**Foreign Representative**") of HSP, Hollander Sleep Products Canada Limited ("**Hollander Canada**"), Dream II Holdings, LLC, Hollander Home Fashions Holdings, LLC, Pacific Coast Feather, LLC, Hollander Sleep Products Kentucky, LLC and Pacific Coast Feather Cushion, LLC (collectively, the "**Chapter 11 Debtors**" and each, a "**Chapter 11 Debtor**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an Order, among other things, recognizing certain orders granted by the United States Bankruptcy Court for the Southern District of New York (the "**U.S. Bankruptcy Court**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the affidavit of Marc Pfefferle sworn July 3, 2019 (the "**Second Pfefferle Affidavit**"), the report of KSV Kofman Inc., in its capacity as Information Officer, dated July 3, 2019 (the "**First Report**"), each filed.

AND UPON HEARING the submissions of counsel for the Foreign Representative, counsel for the Information Officer, and those other parties present, no one else appearing although duly served as appears from the affidavits of service of Evan Barz and Shanaz Vellani sworn July 3 and 4, 2019, filed:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that capitalized terms used herein and not otherwise defined have the meaning given to them in the Second Pfefferle Affidavit.

RECOGNITION OF FOREIGN ORDERS

3. **THIS COURT ORDERS** that the following orders (collectively, the "**Foreign Orders**") of the U.S. Bankruptcy Court made in the cases commenced by the Chapter 11 Debtors pursuant to Chapter 11 of the United States Bankruptcy Code are hereby recognized and given full force and effect in all provinces and territories of Canada pursuant to section 49 of the CCAA:

(a) *Order (I) Authorizing the Debtors to (A) Continue Insurance Coverage Entered into Prepetition and Satisfy Prepetition Obligations Related Thereto and (B) Renew, Supplement, Modify, or Purchase Insurance Coverage, (C) Continue to Pay Brokerage Fees, and (II) Granting Related Relief* (the "**Insurance Order**");

(b) *Order (I) Authorizing the Debtors to Continue and Renew the Surety Bond Program, and (II) Granting Related Relief* (the "**Surety Bond Order**");

(c) *Order (I) Approving the Bidding Procedures, (II) Scheduling the Bid Deadlines and the Auction, (III) Approving the Form and Manner of Notice Thereof, (IV) Scheduling Hearings and Objection Deadlines with Respect to the Sale, and (V) Granting Related Relief* (the "**Bid Procedures Order**");

(d) *Final Order (I) Authorizing the Debtors to Pay Prepetition Claims of (A) Lien Claimants, (b) Import Claims, (C) 503(B)(9) Claimants, (D) Foreign Vendors, and (E) Critical Vendors, (II) Confirming Administrative Expense Priority of Outstanding Orders, and (III) Granting Related Relief* (the "**Final Critical Vendors Order**");

(e) *Final Order (I) Authorizing the Debtors to (A) Pay Prepetition Employee Wages, Salaries, Other Compensation, and Reimbursable Employee Expenses and (B) Continue Employee Benefits Programs and (II) Granting Related Relief* (the "**Final Wages Order**");

(f) *Order Authorizing the Debtors to (A) Retain Carl Marks Advisory Group LLC to Provide the Debtors a Chief Executive Officer, a Chief Financial Officer, and Additional Personnel and (B) Appoint the Chief Executive Officer and Chief Financial Officer Nunc Pro Tunc to the Petition Date* (the "**Carl Marks Order**");

(g) *Final Order (I) Authorizing the Debtors to (A) Continue to Operate their Cash Management System, (B) Honor Certain Prepetition Obligations Related Thereto, (C) Maintain Existing Business Forms, and (D) Continue to Perform Intercompany Transactions, and (II) Granting Related Relief* (the "**Final Cash Management Order**");

(h) *Final Order (A) Authorizing the Debtors to Maintain and Administer their Existing Customer Programs and Honor Certain Prepetition Obligations Related Thereto and (B) Granting Related Relief* (the "**Final Customer Programs Order**");

(i) *Final Order With Respect to Prepetition ABL Secured Parties and DIP ABL Secured Parties (A) Authorizing the Debtors to Obtain Postpetition Financing, (B) Authorizing the Debtors to Use Cash Collateral, (C) Granting Liens and Providing Superpriority Administrative Expense Status, (D) Granting Adequate Protection to the Prepetition ABL Secured Parties, (E) Modifying the Automatic Stay, and (F) Granting Related Relief* (the "**Final DIP ABL Order**");

(j) *Final Order (A) Authorizing the Payment of Certain Prepetition Taxes and Fees and (B) Granting Related Relief* (the "**Final Tax Order**");

(k) *Order (A) Prohibiting Utility Providers from Altering, Refusing, or Discontinuing Utility Services, (B) Determining Adequate Assurance of Payment for Future Utility Services, (C) Establishing Procedures for Determining Adequate Assurance of Payment, and (D) Granting Related Relief* (the "**Utilities Order**");

(l) *Order (A) Authorizing the Retention and Compensation of Professionals Utilized in the Ordinary Course of Business and (B) Granting Related Relief* (the "**Professionals Order**");

(m) *Order Authorizing and Approving the Employment and Retention of OMNI Management Group as Administrative Advisor for the Debtors and Debtors in Possession Nunc Pro Tunc to the Petition Date* (the "**OMNI Order**");

(n) *Order (A) Establishing Certain Notice, Case Management, and Administrative Procedures and (B) Granting Related Relief* (the "**Case Management Order**");

(o) *Second Interim Order (A) Authorizing the Debtors to Obtain Postpetition Financing, (B) Authorizing the Debtors to Use Cash Collateral, (C) Granting Liens and Providing Superpriority Administrative Expense Status, (D) Granting Adequate Protection to the Prepetition Term Loan Lenders, (E) Modifying the Automatic Stay, (F) Scheduling a Final Hearing, and (G) Granting Related Relief* (the "**Second Interim DIP Term Order**"); and

(p) *Order (A) Setting Bar Dates for Submitting Proofs of Claim, (B) Approving Procedures for Submitting Proofs of Claim, (C) Approving Notice Thereof, and (D) Granting Related Relief* (the "**Bar Date Order**").

(copies of each such Foreign Orders are attached hereto as Schedules "A" to "P", respectively);

provided, however, that in the event of any conflict between the terms of the Foreign Orders and the Orders of this Court made in the within proceedings, the Orders of this Court shall govern with respect to the Property (as defined in the Supplemental Order).

AMENDMENT TO SUPPLEMENTAL ORDER

4. **THIS COURT ORDERS** that paragraph 20 of the Supplemental Order is hereby amended as follows:

> 20. **THIS COURT ORDERS** that the DIP ABL Agent, for and on behalf of itself and the DIP ABL Lenders, shall be entitled to the benefit of and is hereby granted a charge (the "**DIP ABL Charge**") on the Property in Canada, which DIP ABL Charge shall be consistent with the liens and charges created by the Interim DIP Order and the Final ABL DIP Order (as defined in the Recognition Order made on July 5, 2019 in these proceedings) with respect to the Property in Canada, shall have the priority set out in paragraphs 21 through 26 hereof, and further provided that the DIP ABL Charge shall not be enforced except with leave of this Court on notice to the Information Officer and those parties on the service list established for these proceedings.

INFORMATION OFFICER'S REPORTS

5. **THIS COURT ORDERS** that the pre-filing report of KSV Kofman Inc. ("**KSV**"), in its capacity as proposed Information Officer, dated May 23, 2019 (the "**Pre-Filing Report**") and the First Report of the Information Officer and the actions, conduct, and activities of KSV as described in the Pre-Filing Report and the Information Officer as described in the First Report be and are hereby approved.

GENERAL

6. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States of America, to give effect to this Order and to assist the Chapter 11 Debtors, the Foreign

Representative, the Information Officer, and their respective counsel and agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Chapter 11 Debtors, the Foreign Representative and the Information Officer, the latter as an officer of this Court, as may be necessary or desirable to give effect to this Order, or to assist the Chapter 11 Debtors, the Foreign Representative, the Information Officer, and their respective counsel and agents in carrying out the terms of this Order.

7. **THIS COURT ORDERS** that each of the Chapter 11 Debtors, the Foreign Representative and the Information Officer be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

8. **THIS COURT ORDERS** that this Order shall be effective as of 12:01 a.m. Eastern Standard Time on the date of this Order.

Hainey J.

SUPERIOR COURT OF JUSTICE
ENTERED

JUL 05 2019

COUR SUPÉRIEURE DE JUSTICE
ENTRÉ

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. C-36, AS AMENDED Court File No: CV-19-620484-00CL

AND IN THE MATTER OF HOLLANDER SLEEP PRODUCTS, LLC, HOLLANDER SLEEP PRODUCTS CANADA LIMITED, DREAM II HOLDINGS, LLC, HOLLANDER HOME FASHIONS HOLDINGS, LLC, PACIFIC COAST FEATHER, LLC, HOLLANDER SLEEP PRODUCTS KENTUCKY, LLC AND PACIFIC COAST FEATHER CUSHION, LLC

APPLICATION OF HOLLANDER SLEEP PRODUCTS, LLC UNDER SECTION 46 OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

Applicant

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Proceeding commenced at Toronto

RECOGNITION ORDER

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THIS IS EXHIBIT "G" REFERRED TO IN THE AFFIDAVIT OF MARC PFEFFERLE SWORN ON AUGUST 2, 2019.

RE

ROBERT E COLAPIETRO
Notary Public
Connecticut
My Commission Expires Feb 28, 2022

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Counsel to the Debtors and Debtors in Possession

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
HOLLANDER SLEEP PRODUCTS, LLC, *et al.*,[1]	)	Case No. 19-11608 (MEW)
Debtors.	)	(Jointly Administered)

DEBTORS' MOTION FOR ENTRY OF AN ORDER (I) AUTHORIZING THE DEBTORS TO ASSUME THE RESTRUCTURING SUPPORT AND SETTLEMENT AGREEMENT, (II) APPROVING THE SETTLEMENTS AND COMPROMISES CONTAINED THEREIN, AND (III) GRANTING RELATED RELIEF

The above-captioned debtors and debtors in possession (collectively, the "Debtors") respectfully state as follows in support of this motion:

Relief Requested

1. The Debtors seek entry of an order, substantially in the form attached hereto as **Exhibit A**, (a) authorizing the Debtors to assume the Amended and Restated Restructuring Support and Settlement Agreement dated as of July 21, 2019, attached as **Exhibit 1** to **Exhibit A** hereto (the "RSA"),[2] between and among the Debtors, the Consenting Term Loan Lenders, the

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors' service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

[2] Capitalized terms used but not defined herein shall have the meanings ascribed to them in the RSA.

Official Committee of Unsecured Creditors (the "UCC"), and Sentinel Capital Partners (the "Sponsor") that amends and restates the Restructuring Support Agreement dated as of May 19, 2019 (the "Initial RSA"), (b) approving the settlements and compromises contained therein, and (c) granting related relief. In support of this motion, the Debtors respectfully state as follows.

Introduction

2. The Debtors commenced these chapter 11 cases to facilitate a restructuring of their balance sheet and stabilize business operations. Before the Petition Date, the Debtors negotiated a comprehensive restructuring transaction with 100 percent of the Debtors' prepetition secured term lenders and the Sponsor (its majority equity holder and a participant under the Debtors' asset-based lending ("ABL") facility), the terms of which were embodied in the Initial RSA. Pursuant to the Initial RSA, certain of the term loan lenders committed to finance these chapter 11 cases and the Debtors' emergence from chapter 11 through a $28 million new-money debtor-in-possession ("DIP") term loan facility that would roll into a $58 million exit term loan facility at emergence, including $30 million of new money. The term loan lenders further agreed to equitize approximately $166.5 million in prepetition term loan claims as part of the restructuring. Additionally, the Sponsor agreed to roll up its "last out loans" under the prepetition ABL facility into the Debtors' DIP ABL credit facility and any proposed ABL exit facility. These commitments were all subject to a sale "toggle" feature under the Plan allowing for a potential sale to a third party.

3. The Initial RSA ensured the term loan lenders' support for a plan in either a reorganization or a sale, and the attendant support for the payment of administrative and priority claims (including section 503(b)(9) claims) and cure costs as part of the Debtors' restructuring. The Initial RSA was negotiated prepetition and designed to create the framework for moving

forward in these cases. The Debtors and the other Initial RSA parties recognized the need and always intended to engage with the UCC after the commencement of these cases.

4. Since the appointment of the UCC, the Debtors, the Consenting Term Loan Lenders, and the Sponsor have worked diligently with the UCC. The parties engaged in numerous good faith settlement discussions in an effort to reach a global resolution that would facilitate a consensual transaction and provide the Debtors with an expeditious and orderly exit from chapter 11. Ultimately, the Debtors, the Consenting Term Loan Lenders, the UCC, and the Sponsor were able to resolve all of their outstanding issues, and the RSA and Plan now reflect a global compromise with the UCC (the "Plan Settlement"). Both the RSA (pursuant to approval of this motion, including of the Plan Settlement) and the Plan remain subject to approval by this Court. As a result, the Plan is now supported by all major creditor constituencies.

5. The principal terms of the Plan Settlement embodied in the RSA are as follows:

- The Debtors will use commercially reasonable best efforts to implement the restructuring transactions and the Plan Settlement pursuant to a chapter 11 plan process, including taking all reasonable steps necessary to consummate a sale transaction or a liquidation process under the Plan, if applicable. Nevertheless, the RSA will remain effective and bind the parties in the event that each of the Debtors' chapter 11 cases are converted to a Liquidation Case.

- In a chapter 11 plan of reorganization, the Debtors will fund a reorganization recovery pool for the benefit of holders of General Unsecured Claims with cash in the amount of $500,000. Further, if the Reorganized Debtors are sold within 24 months of the effective date of the Plan and the Consenting Term Loan Lenders receive more than a 30 percent recovery on account of their Term Loan Claims, the Future Sale Consideration (as defined in the Plan) will be funded with 5 percent of each dollar in excess of such 30% recovery.

- In lieu of the right to recover from the reorganization recovery pool, certain vendors may become "Supporting Vendors," which will allow such vendors to receive either (a) a 1% recovery on their prepetition claims and a premium for providing the reorganized Debtors with favorable trade credit or (b) go-forward protection through a letter of credit provided by the reorganized Debtors to ensure payment of obligations.

- In the event of a sale pursuant to a chapter 11 plan, the Debtors will fund a sale transaction recovery pool for the benefit of holders of General Unsecured Claims with (a) cash in the amount of $600,000, *plus* (b) if the Term Loan Lenders receive more than a 30 percent recovery on account of their Term Loan Claims, 5 percent of each dollar in excess thereof, *plus* (c) if the Term Loan Lenders receive more than a 50 percent recovery on account of their Term Loan Claims, 7.5 percent of each dollar in excess thereof.

- In the event of a liquidation of the estates and confirmation of a chapter 11 plan of liquidation, the Debtors will fund a liquidation recovery pool for the benefit of holders of General Unsecured Claims with cash in the amount of $250,000. In the event that each of the Debtors' chapter 11 cases are converted to a Liquidation Case, the Consenting Term Loan Lenders will not object to the funding of this liquidation recovery pool.

- In all scenarios (a reorganization, sale transaction, or Liquidation Case), the Sponsor will cause to be funded up to $650,000 in the aggregate for the benefit of holders of General Unsecured Claims, which amount will be paid from (i) the first $200,000 of any proceeds distributed to holders of DIP Last Out Loan Claims on account of such claims, *plus* (ii) 50 percent of each dollar received in excess of the first $200,000 of any such proceeds distributed to the holders of DIP Last Out Loan Claims up to a total maximum amount of $650,000 (inclusive of the first $200,000 of proceeds paid).

- The Debtors (and any successors thereto) will not initiate, prosecute, transfer, or otherwise attempt to collect upon any Avoidance Actions, and will cause all Commercial Tort Proceeds and any Commercial Tort Claims belonging to the Debtors to be assigned and transferred for the benefit of the holders of General Unsecured Claims.

- Neither the Sponsor nor the UCC will challenge or support any challenge to the validity, enforceability, or priority of the Term Loan Credit Agreement or any portion of the Term Loan Claims.

- Upon approval of the RSA by the Court, the parties to the RSA agree to mutual releases, subject to revocation in very limited circumstances as set forth in the RSA (for the avoidance of doubt, there can be no revocation (a) after the effective date of a chapter 11 plan and (b) with respect to the releases of the Sponsor or Consenting Term Loan Lenders, so long as the Sponsor or the Consenting Term Loan Lenders, as applicable, honor their respective payment commitments).

- The UCC will support confirmation of a chapter 11 plan on these terms, including the releases and exculpation provisions contained therein, and encourage holders of General Unsecured Claims to vote in favor of such plan.

6. Significantly, the RSA and Plan Settlement contemplate a guaranteed recovery for unsecured creditors in all circumstances. If approved by the Court, the RSA and Plan Settlement will also bring finality to the Debtors' key stakeholders by binding key case parties in all scenarios. Moreover, the RSA remains subject to a customary fiduciary out for both the Debtors and the UCC. *See* RSA § 20.

7. Based on the Plan Settlement contained in the RSA and related Plan modifications, the UCC's potential objections to the Debtors' proposed restructuring have been resolved. In short, the RSA enables the parties to avoid costly and potentially value-destructive litigation in favor of global peace. Accordingly, the Debtors believe that the RSA provides the best available path forward for these chapter 11 cases and will maximize the value of their estates. For these reasons, the Debtors respectfully submit that assumption of, and performance under, the RSA, including the approval of the Plan Settlement, reflects a sound exercise of business judgment and should be authorized and approved.

Jurisdiction and Venue

8. The United States Bankruptcy Court for the Southern District of New York (the "Court") has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the Southern District of New York*, dated January 31, 2012. The Debtors confirm their consent, pursuant to rule 7008 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), to the entry of a final order by the Court in connection with this motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

9. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

10. The statutory bases for the relief requested herein are sections 105, 363, and 365 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the "Bankruptcy Code"), Bankruptcy Rules 6004, 6006, and 9019, and Rules 6006-1 and 9014-2 of the Local Bankruptcy Rules for the Southern District of New York (the "Local Rules").

Background

I. Negotiations Leading to Amended and Restated RSA.

11. As highlighted by the UCC's statement with respect to the Debtors' exit financing motion [Docket No. 110], the UCC raised a host of potential issues regarding confirmation of the Debtors' Plan and the treatment of the term loan lenders and the Sponsor in these chapter 11 cases. In that pleading and in separate discussions with the Debtors and other cases parties, the UCC focused on the potential value of unencumbered assets, plan releases, and creditor recoveries.

12. As noted above, the Debtors, the Consenting Term Loan Lenders, the UCC, and the Sponsor, engaged in extensive, arm's-length negotiations to settle these issues. Negotiations around a global deal began in earnest on June 27, 2019, when the Debtors hosted an "all hands" in-person meeting in New York. Before that meeting, both the Debtors and the UCC made initial proposals to provide parties a framework to consider for negotiating purposes. The Debtors pushed for, and the parties agreed to seek, a holistic settlement to resolve any and all issues between them and provide recoveries to general unsecured creditors in all circumstances. A holistic settlement would significantly reduce the Debtors' administrative costs and provide immediate stability to the Debtors' business and vendor community. More specifically, the Debtors contended that a global settlement would demonstrate to both third parties looking to purchase the Debtors' assets, as well as to their vendor base, that the Debtors have certainty regarding the path forward. This certainty would allow the Debtors to receive the

benefit of the up-front exit financing commitment that they fought so hard to obtain before the commencement of these chapter 11 cases. In turn, the Debtors could proceed down the confirmation path as quickly as possible and give their stakeholders assurance that there is real stability in the near- and long-term.

13. With progress made at the all-hands meeting, the Debtors' "second day" hearing on July 1, 2019, was completely consensual, with the parties continuing to negotiate a settlement. Over the next three weeks parties traded term sheets and attended telephone conferences to push towards consensus. On July 13, 2019, following several rounds of competing proposals and back-and-forth negotiations, the parties reached an agreement in principle on a global resolution. Although the parties initially held disparate views on a number of issues, the persistent efforts of the Debtors, their significant stakeholders, and their advisors, coupled with the exigencies of these chapter 11 cases, have culminated in a consensual path forward, the foundation of which is the value-maximizing global settlement embodied in the RSA and the Plan Settlement.

II. RSA Overview.

14. The Debtors' assumption of the RSA is a key step in the Debtors' prosecution of a confirmable plan that provides for, among other things, (a) the equitization of approximately $166.5 million in prepetition term loan debt of the Debtors, (b) $30 million in new money exit financing, (c) additional cash consideration from the Debtors for the benefit of general unsecured creditors, and (d) an agreement by the Sponsor to the turnover of certain funds to be received on account of the last out loans for the benefit of general unsecured creditors. The resolutions memorialized in the RSA resolve several issues facing these chapter 11 cases and avoids the prospect of lengthy and costly litigation. The RSA anchors these chapter 11 cases with the support of all the Debtors' key stakeholders on reasonable terms and maximizes creditor recoveries, meaningfully reduces the Debtors' aggregate funded debt, and best positions the

Debtors for future success. Importantly, the RSA only goes into effect once assumption has been approved by this Court.

15. In addition to the terms described above, the RSA can be further summarized as follows.[3]

RSA Term	Summary
Commitment of the Restructuring Support Parties (RSA § 6)	Each Restructuring Support Party shall (severally and not jointly) during the Plan Support Period: • support the Restructuring Transactions in accordance with the terms and conditions of the RSA and take all actions reasonably necessary to support consummation of the Restructuring Transactions; • not seek, support, or solicit an Alternative Transaction; • not withdraw, amend, or revoke (or cause to be withdrawn, amended, or revoked) its tender, consent, and/or vote, as applicable, with respect to the Plan; • support, and not object to, or materially delay or impede, or take any other action that would be reasonably expected to materially interfere, directly or indirectly, with the Restructuring Transactions; • support, and not object to, or materially delay or impede, or take any other action that would be reasonably expected to materially interfere, directly or indirectly, with the entry by the Bankruptcy Court of any of the DIP Orders; • not file or support, and not direct the Term Loan Agent to file or support, any motion or pleading with the Bankruptcy Court that is not materially consistent with the RSA; • to the extent any legal or structural impediment arises that would prevent, hinder, or delay the consummation of the Restructuring Transactions, negotiate in good faith appropriate additional or alternative provisions to address any such impediment; • not object to, or otherwise contest, any application filed with the Bankruptcy Court seeking: (i) entry of the Retention Orders, authorizing, as applicable, the Company or the Committee to retain and employ such Company Advisors or Committee Advisors who have entered into engagement letters with the Company or entered into agreements with the Committee that are in effect as of the effective date

[3] The following summary is provided for illustrative purposes only and is qualified in its entirety by reference to the RSA. In the event of any inconsistency between this summary and the RSA, the RSA shall control in all respects.

RSA Term	Summary
	of the RSA; or (ii) allowance of any monthly, interim, or final fee application or completion, transaction, or success fee (or similar fee) set forth in the respective Company Advisor's or Committee Advisor's engagement letter with the Company or the Committee, as applicable, so long as such application is consistent with the terms of the applicable Company Advisor's Retention Order or the Committee Monthly Fee Cap beginning August 1, 2019, as applicable; and • in the event the Plan cannot be confirmed and the Debtors determine in good faith (after consultation with the Restructuring Support Parties) to proceed with a conversion of each of the Chapter 11 Cases to a Liquidation Case or dismissal, each Restructuring Support Party agrees to support, and not object to or otherwise contest, such conversion or dismissal.
Consenting Term Loan Lender Commitments (RSA § 7)	In addition to the obligations set forth in Section 6 of the RSA, the Term Loan Agent and each Consenting Term Loan Lender shall, during the Plan Support Period: • waive any deficiency claims on account of the Term Loan Claims pursuant to the Plan and not, if applicable, assert such deficiency claims against the liquidation recovery pool; • fund a *pro rata* share of a reorganization recovery pool through the Plan in the event there is no sale transaction in accordance with the terms of the Plan; • consent to the funding of a sale transaction recovery pool through the Plan in the event there is a sale transaction in accordance with the terms of the Plan (or other sale of all or substantially all assets under section 363 of the Bankruptcy Code); and • consent to the funding of a liquidation recovery pool from the first available proceeds of Term Loan Priority Collateral, solely to the extent that each Chapter 11 Case converts to a Liquidation Case, with the applicable *pro rata* share of the liquidation recovery pool to be distributed and held in trust solely for the benefit of the holders of General Unsecured Claims. The obligation to fund the liquidation recovery pool shall survive the termination of the RSA by the Consenting Term Loan Lenders.
Sponsor Commitments (RSA § 8)	In addition to the obligations set forth in Section 6 of the RSA, the Sponsor shall, during the Plan Support Period: • not challenge, or support any party that challenges, the validity, enforceability, or priority of the Term Loan Credit Agreement or any portion of the Term Loan Claims; and • cause the Put Purchasers to (and if applicable, direct the ABL Agent to) (i) convert all revolving commitments under the Last Out Loans into commitments under the DIP ABL Credit Facility, (ii) upon the effective

RSA Term	Summary
	date of the Plan, convert all revolving commitments under the DIP ABL Credit Facility into commitments under the Exit ABL Facility (or to the extent there is a Sale Transaction, support, and not object to, or materially delay or impede, or take any other action that would be reasonably expected to materially interfere, directly or indirectly, with such Sale Transaction), (iii) support a Plan that provides that the Sponsor receives no distribution of any kind on account of the Sponsor Prepetition Equity Interests, and (iv) distribute the Last Out Loans Turnover Amount for the benefit of holders of General Unsecured Claims on the terms set forth in the Plan or, if applicable, funded from the cash proceeds, if any, received by the Put Purchasers on account of the DIP Last Out Loan Claims upon a conversion of each of the chapter 11 cases to a Liquidation Case, with the applicable *pro rata* share of the Last Out Loans Turnover Amount to be distributed and held in trust solely for the benefit of the holders of General Unsecured Claims. The obligation to distribute the Last Out Loans Turnover Amount upon a conversion of each of the Chapter 11 Cases to a Liquidation Case shall survive the termination of the RSA by the Sponsor.
Committee Commitments (RSA § 9)	In addition to the obligations set forth in Section 6 of the RSA, the Committee, on behalf of itself and each of its members, shall, during the Plan Support Period: • support, and not directly or indirectly oppose, the Plan, including by encouraging holders of General Unsecured Claims to vote to approve the Plan and take any and all necessary or appropriate actions in furtherance of the transactions contemplated under the Plan; • not challenge, or support any party that challenges, the validity, enforceability, or priority of the Term Loan Credit Agreement, any portion of the Term Loan Claims, the ABL Credit Agreement, any portion of the ABL Claims, the DIP ABL Credit Agreement, any portion of the DIP ABL Claims, DIP Term Loan Credit Agreement, any portion of the DIP Term Loan Claims, the Put Agreement and the Participation Agreements or the transactions contemplated thereby and/or any portion of the Last Out Loans or DIP Last Out Loans, the DIP Orders, and any liens related to or granted by any of the foregoing, which obligation shall survive the termination of the RSA by the Consenting Term Loan Lenders or the Sponsor; • subject to its fiduciary duties, support, and not directly or indirectly oppose, any Sale Transaction supported by the Debtors and consummated in accordance with the Plan and the Bidding Procedures (as defined in the Plan); • support, and not object to, the release and exculpation provisions of the Plan, including direct releases by the Committee of any claims that may be asserted by the Committee derivatively on behalf of its members or the Debtors against the Term Loan Lenders, the Term Loan Agent, the

RSA Term	Summary
	ABL Lenders, the ABL Agent, the DIP Term Loan Lenders, the DIP Term Loan Agent, the DIP ABL Agent, the DIP ABL Lenders, the Sponsor Released Parties, the Put Purchasers, the Debtors' current and former directors and officers, and the Company Advisors based on or relating to, or in any manner arising from, in whole or in part, the Debtors and Debtor transactions set forth in Article VIII.D of the Plan; • support, and not object to, or materially delay or impede, or take any other action that would be reasonably expected to materially interfere, directly or indirectly, with the entry by the Bankruptcy Court of the DIP Orders; • waive any enforcement rights that may be asserted by the Committee or by any of its members under section 506(c) of the Bankruptcy Code, and waive any ability to require the Debtors or any successor trustee to bring such enforcement rights; • support, and not directly or indirectly oppose, the Debtors' ordinary course cash management operations, including the flow of funds between the Debtors' Canadian and U.S. entities; • not seek any reimbursement of professional fees or expenses in excess of the Committee Monthly Fee Cap beginning August 1, 2019; • subject to its fiduciary duties, not oppose any motions or other pleadings filed by the Debtors in the Chapter 11 Cases, so long as such motion or pleading does not materially and negatively affect the rights of holders of General Unsecured Claims, including any motion seeking approval of the DIP Term Loan Credit Facility, the Exit Term Loan Credit Facility, the Exit ABL Facility, and any documents or commitments related thereto; and • not seek or support any party in seeking to convert any of the Chapter 11 Cases to Liquidation Cases (other than as provided for in the RSA).
Debtors' Commitments (RSA § 10)	The Company shall, during the Plan Support Period: • support and use commercially reasonable efforts to execute and complete the Restructuring Transactions set forth in the Plan and the RSA, (ii) negotiate in good faith all Definitive Documentation that is subject to negotiation as of the effective date of the RSA and take any and all necessary and appropriate actions in furtherance of the Plan and the RSA, and (iii) consult in good faith with the Consenting Term Loan Lenders, the Committee, and the Sponsor on each of the foregoing provisos; • provide the Consenting Term Loan Lenders and their advisors with, and direct their employees, officers, advisors, and other representatives to provide the Consenting Term Loan Lenders and their advisors with, (i) reasonable access to the Company's books and records,

RSA Term	Summary
	(ii) reasonable access to the management and advisors of the Company (including Carl Marks and Houlihan Lokey Capital, Inc.) for the purposes of evaluating the Company's assets, liabilities, operations, businesses, finances, strategies, prospects, and affairs, and (iii) reasonable responses to all reasonable diligence requests within a reasonable timeline based on the applicable circumstances to such diligence requests; • timely file (and diligently prosecute) a formal objection to certain motions or actions that have the effect of impeding the Restructuring Transactions; • not challenge, or support any party that challenges, the validity, enforceability, or priority of the (i) Prepetition Term Loan Credit Agreement or any portion of the Term Loan Claims or (ii) the Put Agreement and the Participation Agreements or the transactions contemplated thereby and/or any portion of the Last Out Loans or DIP Last Out Loans; • seek a Confirmation Order that becomes effective and enforceable immediately upon its entry and seek to have the period in which an appeal thereto must be filed commence immediately upon its entry; • as soon as reasonably practicable, notify the Consenting Term Loan Lenders, the Committee, and the Sponsor of any breach by the Company of the RSA of which the Company Advisors have actual knowledge; • pay in cash (i) prior to the Petition Date, all reasonable fees and expenses accrued prior to the Petition Date by the Term Loan Agent Counsel, (ii) after the Petition Date, all reasonable fees and expenses of the Term Loan Agent Counsel incurred on and after the Petition Date from time to time in accordance with the DIP Orders, and (iii) on and after the effective date of the Plan, all reasonable fees and expenses incurred by the Term Loan Agent Counsel in connection with the Restructuring Transactions; • comply with the terms and conditions of the DIP Orders in respect of the treatment of any claims the Sponsor has accrued for its reasonable and documented fees and expenses relating to the Last Out Loans or DIP Last Out Loans and the transactions contemplated thereby, including the Put Agreement and the Participation Agreements, whether arising before or after the Petition Date; • not initiate, prosecute, transfer, or otherwise attempt to collect upon any Avoidance Actions; • cause all Commercial Tort Proceeds and any Commercial Tort Claims belonging to the Company to be assigned and transferred to the Plan Administrator for the benefit of the holders of General Unsecured

RSA Term	Summary
	Claims; • not seek, solicit, or support any Alternative Transaction; and • waive, pursuant to the DIP Orders, any enforcement rights that may be asserted by the Company or any successor thereto under section 506(c) of the Bankruptcy Code.
Termination Rights (RSA §§ 11 – 14)	The RSA provides for customary termination rights, including: • the failure to meet any of the Milestones, unless such Milestone is extended or waived, except that the Company may modify a Milestone in connection with pursuing a Sale Transaction or liquidation other than the Restructuring Transactions, and the failure to meet any Milestone in connection with such Sale Transaction or liquidation other than the Restructuring Transactions shall not provide a termination right under the RSA; • the occurrence of a breach of the RSA (including any representation, warranty, or covenant contained herein) in any respect that adversely affects the parties' interests; • the dismissal or conversion of one or more of the Chapter 11 Cases to a Liquidation Case other than as provided for in the RSA; • notice of an "Event of Default" (as defined in the DIP Term Loan Credit Agreement or the DIP ABL Credit Agreement, as applicable) has been given; • the Company (i) files or announces that it will proceed with an Alternative Transaction or (ii) withdraws or announces its intention not to support the Plan; and • upon mutual written consent of the Parties.
Releases (RSA § 18)	The Company, the Committee, the Sponsor, and the Consenting Term Loan Lenders will grant mutual releases to each other and certain related parties. Such releases shall only become effective and binding upon the execution and approval of the RSA by the Court. However, in the event that the effective date of the Plan does not occur, the releases shall be subject to revocation by the Company Releasing Parties and the Committee Releasing Parties (i) with respect to the Sponsor and any Sponsor Released Party, solely if the Sponsor and the Put Purchasers breach their obligation to fund the Last Out Loans Turnover Amount from the cash proceeds, if any, received by the Put Purchasers on account of the DIP Last Out Loan Claims, and (ii) with respect to the Term Loan Agent, any Consenting Term Loan Lender, and any Consenting Term Loan Released Party, if the Consenting Term Loan Lenders breach their obligation to consent to the Company's disbursement of the liquidation recovery pool.

RSA Term	Summary
Fiduciary Duties (RSA § 20)	Nothing in RSA shall require (i) the Company, or any directors, officers, or employees of the Company (in such person's capacity as a director, officer, or employee) or (ii) the Committee, or any of its members, each in its capacity as such, to take any action, or to refrain from taking any action, to the extent that the Company, its board of directors or officers, the Committee, or any of its members determines in good faith, upon advice of counsel, that taking such action or refraining from taking such action may be inconsistent with its or their fiduciary obligations under applicable law, and any such exercise of such fiduciary duties shall not be deemed to constitute a breach of the terms of the RSA.
Transfer Restrictions (RSA § 21)	Each Restructuring Support Party shall not make a Transfer, unless such Transfer is to another Restructuring Support Party or any other entity that first agrees in writing to be bound by the terms of the RSA by executing and delivering to the Company the Transferee Joinder.
Milestones (RSA § 5)	The Company shall implement the Restructuring Transactions in accordance with the Milestones set forth in the DIP Credit Agreements and the DIP Orders, as applicable, which Milestones may be extended by the Company with the prior written consent of the Required Consenting Term Loan Lenders or in connection with pursuing a Sale Transaction or liquidation other than the Restructuring Transactions.

Basis for Relief

I. Assumption of the Restructuring Support Agreement Is a Sound Exercise of Business Judgment.

16. The Debtors submit that the Court should authorize the assumption of the RSA as a valid exercise of their business judgment. Section 365(a) of the Bankruptcy Code provides that a debtor in possession, "subject to the court's approval, may assume or reject an executory contract or unexpired lease of the debtor." 11 U.S.C. § 365(a). Courts reviewing a debtor's decision to assume or reject an executory contract or unexpired lease apply a business judgment standard. *See, e.g.*, *Orion Pictures Corp. v. Showtime Networks, Inc. (In re Orion Pictures Corp.)*, 4 F.3d 1095, 1099 (2d Cir. 1993) ("[A] bankruptcy court reviewing a trustee's or debtor-in-possession's decision to assume or reject an executory contract should examine a contract and the surrounding circumstances and apply its best 'business judgment' to determine if it would be beneficial or burdensome to the estate to assume it."); *In re Penn Traffic Co.*, 524

F.3d 373, 383 (2d Cir. 2008) (same); *NLRB v. Bildisco & Bildisco*, 465 U.S. 513, 523 (1984) (same); *In re Genco Shipping & Trading Ltd.*, 509 B.R. 455, 468 (Bankr. S.D.N.Y. 2014) ("At this point, the Court need only evaluate whether the RSA is a valid exercise of Debtors' business judgment: does it make economic sense?").

17. The business judgment rule shields a debtor's management from judicial second-guessing. *See In re Johns-Manville Corp.*, 60 B.R. 612, 615–16 (Bankr. S.D.N.Y. 1986) ("[T]he [Bankruptcy] Code favors the continued operation of a business by a debtor and a presumption of reasonableness attaches to a debtor's management decisions."). Once a debtor articulates a valid business justification, "[t]he business judgment rule 'is a presumption that in making a business decision the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the action was in the best interests of the company.'" *In re Integrated Res., Inc.*, 147 B.R. 650, 656 (S.D.N.Y. 1992) (quoting *Smith v. Van Gorkom*, 488 A.2d 858, 872 (Del. 1985)). Indeed, in applying the "business judgment" standard, debtors are usually given significant discretion when requesting to assume or reject an executory contract or unexpired lease—the "business judgment" standard merely requires the debtors to establish that the requested assumption will benefit the estate. *See In re Riodizio, Inc.*, 204 B.R. 417, 424 (Bankr. S.D.N.Y. 1997) ("[A] court will ordinarily defer to the business judgment of the debtor's management"); *In re Chipwich, Inc.*, 54 B.R. 427, 430–31 (Bankr. S.D.N.Y. 1985) (finding a debtor's decision to assume or reject should be respected "absent a showing of bad faith or abuse of business discretion").

18. Here, the Debtors have ample business justification for assuming and performing under the RSA. The RSA is the product of extensive, good-faith negotiations conducted at arm's length by sophisticated parties who were also represented by experienced counsel and

financial advisors, and is an important step towards confirmation of a value-maximizing transaction and an exit from these chapter 11 cases. By locking in the support of the Consenting Term Loan Lenders, the UCC, and the Sponsor, assumption of the RSA will enable the Debtors to continue forward with a confirmable plan with the support of their major stakeholders, without the need for potential value-destructive litigation among the case parties.

19. Indeed, courts in this district have previously authorized the assumption of restructuring support agreements. *See, e.g.*, *In re Genco Shipping & Trading Ltd.*, 509 B.R. at 463 (approving debtors' assumption of restructuring support agreement as sound exercise of debtors' business judgment); *In re Empire Generating Co., LLC*, No. 19-23007 (RDD) (Bankr. S.D.N.Y. June 10, 2019) (same); *In re MPM Silicones, LLC*, No. 14-22503 (RDD) (Bankr. S.D.N.Y. June 23, 2014) (same). The Debtors respectfully submit that assumption of the RSA is an appropriate exercise of business judgment and should be approved under section 365 of the Bankruptcy Code.

II. The Settlements and Compromises Contained in the Restructuring Support Agreement Should Be Approved.

20. Section 363(b)(1) of the Bankruptcy Code authorizes a court, after notice and a hearing, to authorize a debtor to "use, sell, or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b)(1). To approve a use, sale, or lease of property other than in the ordinary course of business, a court must find "some articulated business justification" that demonstrates "a good business reason" for the requested relief. *See In re Lionel Corp.*, 722 F.2d 1063, 1070 (2d Cir. 1983). Further, Bankruptcy Rule 9019(a) provides that, "after notice and a hearing, the court may approve a compromise or settlement." Fed. R. Bankr. P. 9019(a). In determining whether to approve a settlement as fair and equitable under Bankruptcy Rule 9019, courts in the Second Circuit consider the following factors: (a) the

balance between the litigation's possibility of success and the settlement's future benefits; (b) the likelihood of complex and protracted litigation, with its attendant expense, inconveniences, and delay; (c) the paramount interest of the creditors; (d) whether other parties in interest affirmatively support the proposed settlement; (e) the nature and breadth of releases to be obtained by officers and directors; (f) the competency and experience of the counsel supporting the settlement; and (g) the extent to which the settlement is the product of arm's-length bargaining. *See In re Iridium Operating LLC*, 478 F.3d 452, 462 (2d Cir. 2007); *see also Drexel Burnham Lambert Grp., Inc.*, 960 F.2d 285, 292 (2d Cir. 1992); *In re Ionosphere Clubs, Inc.*, 156 B.R. 414, 428 (S.D.N.Y. 1993) *aff'd*, 17 F.3d 600 (2d Cir. 1994).

21. A settlement under Bankruptcy Rule 9019 need not result in the best possible outcome for the Debtors, but must not "fall[] below the lowest point in the range of reasonableness." *In re Drexel Burnham Lambert Grp., Inc.*, 134 B.R. 493, 595 (Bankr. S.D.N.Y. 1991) (quoting *In re W.T. Grant Co.*, 699 F.2d 599, 608 (2d Cir. 1983)). In determining the range of reasonableness, the bankruptcy court need not decide the numerous issues of law and fact raised by the settlement. *See W.T. Grant Co.*, 699 F.2d at 608 (quoting *Newman v. Stein*, 464 F.2d 689, 693 (2d Cir. 1972)). In other words, the court does not need to conduct a "mini-trial" of the underlying facts and merits; it needs only to evaluate those facts that are necessary to allow it to assess the settlement and to make an independent judgment about the settlement. *See In re Charter Commc'ns*, 419 B.R. 221, 252 (Bankr. S.D.N.Y. 2009) ("The standard does not require that the settlement be the best the debtor could have obtained nor does it require the court to conduct a mini-trial of the questions of law and fact.").

22. Ultimately, the decision to accept or reject a compromise or settlement is within the sound discretion of the bankruptcy court. *Nellis v. Shugrue*, 165 B.R. 115, 123 (S.D.N.Y.

1994) ("Although a judge must consider the fairness of the settlement to the estate and its creditors, the judge is not required to assess the minutia of each and every claim."); *Drexel Burnham*, 134 B.R. at 505; *see also In re Infotechnology*, 1995 U.S. App. LEXIS 39883, at *4–5 (2d Cir. Nov. 9, 1995) (noting that in determining whether to approve a debtor's motion to settle a controversy, a court does not substitute its judgment for that of the debtor).

23. A court should exercise its discretion in favor of a settlement wherever possible, as settlements are generally favored in bankruptcy. *In re Adelphia Commc'ns Corp.*, 368 B.R. 140, 226 (Bankr. S.D.N.Y. 2007) ("As a general matter, settlements or compromises are favored in bankruptcy and, in fact, encouraged."); *see also In re Hibbard Brown & Co.*, 217 B.R. 41, 46 (Bankr. S.D.N.Y. 1998) ("The decision to grant or deny a settlement or compromise lies squarely within the discretion of the bankruptcy court [and such] discretion should be exercised in light of the general public policy favoring settlements.") (citing *Nellis v. Shugrue*, 165 B.R. at 121); *In re Michael Milken & Assocs. Secs. Litig.*, 150 F.R.D. 46, 53 (S.D.N.Y. 1993) (noting the paramount public policy for settlements)).[4]

24. The Debtors respectfully submit that the RSA represents a fair and reasonable compromise between the parties that is in the best interest of the Debtors' estates and within the Debtors' sound business judgment. The RSA contains release provisions which consensually resolve a number of issues between the Debtors and their stakeholders in these chapter 11 cases (subject to the approval of the RSA by the Court), which could otherwise result in value-destructive litigation. In particular, the RSA contains a compromise and settlement of any

[4] Further, under section 105(a) of the Bankruptcy Code, the Court "may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code]." Authorizing the Debtors to enter into the settlements and compromises contained within the RSA falls squarely within the spirit of Bankruptcy Rule 9019 as well as the Bankruptcy Code's predilection for compromise. Thus, to the extent necessary, section 105(a) relief is appropriate in this instance and would best harmonize the settlement processes contemplated by the Bankruptcy Code.

and all claims and causes of action that could be brought among the Debtors, the Consenting Term Loan Lenders, the UCC, and the Sponsor, including the validity, priority, and extent of the Term Loan Lenders' liens, the existence and colorability of any claims against the Sponsor, and the value of any unencumbered collateral. By settling these issues without incurring significant investigation and litigation costs, the Debtors are able to better stabilize their business, focus on operations, and plot a path forward to emerge from chapter 11. Through the RSA, the Debtors and their estates benefit from the certainty that an all-weather settlement provides, regardless of whether the ultimate outcome of these chapter 11 cases is a reorganization, sale, or even a liquidation. Critically, the commitments contained in the RSA also ensure that real value will flow to unsecured creditors no matter what the future holds, and in exchange for the releases set forth in the RSA the Sponsor and the Term Loan Lenders have committed to a recovery to unsecured creditors even if the RSA is terminated in accordance with its terms. As such, the Debtors submit that the resolutions reached in the RSA maximize value and represent a reasonable compromise of each party's divergent views on major case issues, and the Debtors believe that it is critical to their overall efforts to resolve such issues at the present time. Accordingly, the Debtors respectfully request that the Court approve the settlements and compromises contained in the RSA as a reasonable exercise of the Debtors' business judgment and in the best interest of their estates.

III. The Restructuring Support Agreement Complies with Section 1125 of the Bankruptcy Code.

25. Section 1125(b) of the Bankruptcy Code provides that "[a]n acceptance or rejection of a plan may not be solicited after the commencement of the case under this title . . . unless, at the time of or before such solicitation, there is transmitted . . . a written disclosure statement approved, after notice and a hearing, by the court as containing adequate

information." Courts have approved restructuring support agreements (or the assumption of support agreements) where, as here, parties are not obligated to vote until they are solicited with a court-approved disclosure statement and include termination events that allow parties to withdraw their obligation to vote in favor of a particular plan. *See, e.g.*, *In re Residential Capital, LLC*, 2013 WL 3286198, at *20 (Bankr. S.D.N.Y. June 27, 2013); *see also In re Heritage Org., L.L.C.*, 376 B.R. 783, 789–95 (Bankr. N.D. Tex. 2007) (finding that an agreement to vote for a plan set forth in a term sheet did not constitute a solicitation for an official vote).

26. The RSA includes similar provisions that ensure that it complies with the solicitation requirements of the Bankruptcy Code. Specifically, holders will not be solicited and will not have the obligation to vote in favor of the Plan other than pursuant to a Court approved disclosure statement transmitted to the parties in compliance with section 1125 of the Bankruptcy Code. In addition, the RSA includes numerous and broad termination events, and each party to the RSA will be released from its obligation to vote in favor of the Plan upon termination of the RSA. Accordingly, the Debtors submit that the RSA does not violate section 1125(b) of the Bankruptcy Code.

Motion Practice

27. This motion includes citations to the applicable rules and statutory authorities upon which the relief requested herein is predicated and a discussion of their application to this motion. Accordingly, the Debtors submit that this motion satisfies Local Rule 9013-1(a).

Notice

28. The Debtors have provided notice of this motion to the entities on the Service List (as defined in the case management order in these chapter 11 cases [Docket No. 184] and available on the Debtors' case website at https://omnimgt.com/hollander). The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

No Prior Request

29. No prior request for the relief sought in this motion has been made to this or any other court.

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WHEREFORE, the Debtors respectfully request entry an order, substantially in the form attached hereto as **Exhibit A**, granting the relief requested herein and granting such other relief as is just and proper.

New York, New York
Dated: July 21, 2019

/s/ Joshua A. Sussberg

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Counsel to the Debtors and Debtors in Possession

Exhibit A

Proposed Order

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
HOLLANDER SLEEP PRODUCTS, LLC., *et al.*,[1]	)	Case No. 19-11608 (MEW)
Debtors.	)	(Jointly Administered)
	)	**Re: Docket No. __**

ORDER (I) AUTHORIZING THE DEBTORS TO ASSUME THE RESTRUCTURING SUPPORT AND SETTLEMENT AGREEMENT, (II) APPROVING THE SETTLEMENTS AND COMPROMISES CONTAINED THEREIN, AND (III) GRANTING RELATED RELIEF

Upon the motion (the "Motion")[2] of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for the entry of an order (this "Order") (a) authorizing the Debtors to assume and perform under the RSA attached hereto as **Exhibit 1**, (b) approving the settlements and compromises contained therein, and (c) granting related relief, all as more fully set forth in the Motion; and the Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the Southern District of New York*, dated January 31, 2019; and this Court having the power to enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors' service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

[2] Capitalized terms used but not defined herein shall have the meanings set forth in the Motion.

under the circumstance and no other notice need be provided; and this Court having found that the assumption of the RSA does not constitute a solicitation for purposes of sections 1125 and 1126 of the Bankruptcy Code; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before the Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing established just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted as set forth herein.

2. The Debtors are authorized to assume the RSA and perform thereunder. The Plan Settlement contained in the RSA is approved. The RSA, including the Plan Settlement and the releases contained therein, shall be binding and enforceable in accordance with its terms against each of the parties thereto and their successors and assigns, including a chapter 7 trustee.

3. The parties to the RSA are authorized, but not directed, to enter into amendments to the RSA from time to time as necessary, subject to the terms and conditions set forth in the RSA and without further order of the Court, *provided* that the Court must approve any amendment that would change the funding or commitments of the Sponsor or the Consenting Term Loan Lenders or the releases set forth in the RSA.

4. The entry into the RSA shall not constitute a solicitation of votes in violation of section 1125(b) of the Bankruptcy Code.

5. To the extent the automatic stay provisions of section 362 of the Bankruptcy Code would otherwise apply, such provisions are vacated and modified to effectuate all terms and provisions of the RSA and this Order, including, without limitation, to permit any notices

contemplated by and in accordance with the RSA, or to exercise any rights set forth in the RSA with respect to termination, in each case, without further order of the Court.

6. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of the Bankruptcy Rules and the Local Rules are satisfied by such notice.

7. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon its entry.

8. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

9. Notwithstanding any provision of the RSA (including without limitation paragraph 27 thereof), this Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

New York, New York
Dated: _____, 2019

THE HONORABLE MICHAEL E. WILES
UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

RSA

EXECUTION VERSION

AMENDED AND RESTATED RESTRUCTURING SUPPORT AND SETTLEMENT AGREEMENT

This AMENDED AND RESTATED RESTRUCTURING SUPPORT AND SETTLEMENT AGREEMENT (as may be amended, restated, supplemented, or otherwise modified from time to time in accordance with the terms hereof, and including the exhibits hereto, this "Agreement"), dated as of July 21, 2019, is entered into by and among the following parties (each, a "Party" and, collectively, the "Parties"):

i. Dream II Holdings, LLC together with certain of its direct and indirect subsidiaries (collectively, the "Company");

ii. the undersigned holders of claims (and together with their respective successors and permitted assigns, the "Consenting Term Loan Lenders") under the Term Loan Credit Agreement (as defined herein);

iii. the official committee of unsecured creditors appointed in the Chapter 11 Cases (as defined herein) (the "Committee"); and

iv. Sentinel Capital Partners, LLC, on behalf of itself and each of its affiliated investment funds or investment vehicles managed or advised by it, and its affiliates that directly or indirectly hold interests in the Company (collectively, the "Sponsor").

RECITALS

WHEREAS, the Company, the Consenting Term Loan Lenders, and the Sponsor entered into that certain Restructuring Support Agreement, dated as of May 19, 2019 (the "Original RSA").

WHEREAS, the Parties desire to amend and restate the Original RSA in its entirety to incorporate a global settlement among the Parties, the terms of which are reflected in the settlement term sheet attached hereto as **Exhibit D** and are more fully set forth herein (the "Settlement").

WHEREAS, the Parties have engaged in good faith, arm's-length negotiations regarding certain restructuring transactions (the "Restructuring Transactions") pursuant to the terms and conditions set forth in this Agreement and the *Debtors' First Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* attached hereto as **Exhibit A** (including all exhibits thereto, and as may be amended, restated, supplemented, or otherwise modified from time to time in accordance with its terms or to implement the Sale Transaction as contemplated by this Agreement, the "Plan").

WHEREAS, the Restructuring Transactions will be implemented through the jointly administered voluntary cases commenced by the Company on May 19, 2019 (the "Chapter 11 Cases"), under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the "Bankruptcy Code"), in the United States Bankruptcy Court for the Southern District of

New York (the "Bankruptcy Court"), pursuant to the Plan filed by the Company in the Chapter 11 Cases.

WHEREAS, the Parties have agreed to support the Plan and the Restructuring Transactions contemplated by the Plan, including the conversion of all of the Term Loan Claims (as defined herein) into equity in the reorganized Company in full and final satisfaction of such Term Loan Claims, as provided for in the Plan.

WHEREAS, as part of the Settlement, the Parties also agreed to support alternatives to the Restructuring Transactions as set forth in this Agreement and the Plan.

WHEREAS, certain Consenting Term Loan Lenders, their affiliates, managed funds, or customer accounts (in their capacities as such, the "DIP Term Loan Lenders") have committed to provide a debtor-in-possession term loan credit facility (the "DIP Term Loan Credit Facility") and otherwise extend credit to the Company during the pendency of the Chapter 11 Cases and have agreed to the Company's use of cash collateral, which DIP Term Loan Credit Facility and use of cash collateral shall be on terms consistent with the commitment letter that is attached hereto as **Exhibit B** (the "DIP Term Loan Commitment Letter") and otherwise pursuant to the DIP Orders and the DIP Term Loan Credit Agreement (each as defined herein).

WHEREAS, certain Consenting Term Loan Lenders, their affiliates, managed funds, or customer accounts (in their capacities as such, the "Exit Term Loan Lenders") have committed to provide a new money term loan credit facility (the "Exit Term Loan Credit Facility") to the Company upon consummation of the Plan on terms consistent with, and in accordance with, the commitment letter attached hereto as **Exhibit C** (the "Exit Term Loan Commitment Letter").

WHEREAS, as of the date hereof, the Sponsor, either directly or indirectly, is controlling equity holder of Dream II Holdings, LLC (the "Sponsor Prepetition Equity Interests").

WHEREAS, Sentinel Capital Partners V, L.P., Sentinel Dream Blocker, Inc., and Sentinel Capital Investors V, L.P., as the Put Purchasers (as defined herein), entered into the Put Agreement (as defined herein) with the ABL Agent and SunTrust Bank (each as defined herein), pursuant to which the Put Purchasers agreed, upon the terms and conditions set forth therein, to purchase a participation in the Last Out Loans (as defined in the ABL Credit Agreement (as defined herein)) (the "Last Out Loans").

WHEREAS, the Put Purchasers have agreed to "roll" their participation in the Last Out Loans into a participation in the Last Out Loans in the DIP ABL Credit Facility (as defined herein) (such Last Out Loans under the DIP ABL Credit Agreement, the "DIP Last Out Loans"), and further agreed that, upon the terms and conditions set forth in the Participation Agreement (as defined in the DIP ABL Credit Agreement), such participation in the DIP Last Out Loans would elevate into an assignment of such DIP Last Out Loans pursuant to which the Put Purchasers would become a direct lender of such DIP Last Out Loans, and further agreed that the amounts owed to them on account of their DIP Last Out Loan Claims will, upon the effective date of a Plan and subject to the terms of the Plan, become part of the Exit ABL Facility (as defined herein) on a last out basis (on terms reasonably acceptable to each holder of an allowed

DIP Last Out Loan Claim) and with the same priority with respect to the ABL Priority Collateral and the Term Loan Priority Collateral (each as defined herein) as existed under the Intercreditor Agreement (as defined herein).

WHEREAS, each Party has reviewed the Plan, has agreed to the terms of the Restructuring Transactions on the terms set forth therein, and agrees that the following sets forth the agreement among the Parties concerning their respective rights and obligations in respect of the Restructuring Transactions.

NOW, THEREFORE, in consideration of the promises, mutual covenants, and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each of the Parties, intending to be legally bound, hereby agrees as follows:

The Original RSA is hereby amended and restated in its entirety, effective as of the Agreement Effective Date (as defined below), as set forth below:

AGREEMENT

1. **Definitions**. The following terms shall have the following definitions:

"ABL Agent" means Wells Fargo Bank, National Association, in its capacity as agent under the ABL Credit Agreement, solely in its capacity as such.

"ABL Credit Agreement" means that certain Third Amended and Restated Credit Agreement, dated as of June 9, 2017, by and among Hollander Home Fashions, LLC, Hollander Sleep Products, LLC, Hollander Sleep Products Kentucky, LLC, Hollander Sleep Products Canada Limited, Pacific Coast Feather Company, and Pacific Coast Feather Cushion Co., as borrowers, Dream II Holdings, LLC, as parent, the lenders party thereto, and the ABL Agent, as modified and amended on August 31, 2017, October 19, 2018, and November 27, 2018, and as may be further amended, modified, restated, or supplemented from time to time.

"ABL Lenders" means the banks, financial institutions, and other lenders party to the ABL Credit Agreement from time to time, each letter of credit issuer thereunder, and each bank product provider thereunder, each solely in their capacity as such.

"ABL Priority Collateral" has the meaning given to such term as defined in the Intercreditor Agreement.

"Agreement" has the meaning set forth in the preamble hereof and includes all of the exhibits attached hereto.

"Agreement Effective Date" means the date upon which this Agreement shall become effective and binding upon each of the Parties pursuant to the terms of Section 2 hereof.

"Alternative Transaction" means any dissolution, winding up, liquidation, reorganization, recapitalization, assignment for the benefit of creditors, merger, transaction, consolidation, business combination, joint venture, partnership, sale of assets (other than in ordinary course

sales or sales of *de minimis* assets), financing (debt or equity), plan proposal, or restructuring of the Company outside of the Plan (including any chapter 11 plan that is not the Plan, but not including (a) any amendments, modifications, or supplements to the Plan in accordance with its terms related to effectuating a Sale Transaction or liquidation of the Company's assets, each as contemplated by, and pursuant to, the Plan or (b) the conversion of any of the Chapter 11 Cases to, or the occurrence of, a Liquidation Case as set forth more fully herein, each as applicable).

"Avoidance Actions" mean any and all avoidance, recovery, or subordination actions or remedies that may be brought by or on behalf of the Debtors or their estates under the Bankruptcy Code, CCAA, or BIA or applicable non-bankruptcy law, including actions or remedies under sections 544, 547, 548, 549, 550, 551, 552, or 553 of the Bankruptcy Code.

"Bankruptcy Code" has the meaning set forth in the recitals hereof.

"Bankruptcy Court" has the meaning set forth in the recitals hereof.

"BIA" means the Bankruptcy and Insolvency Act, R.S.C., 1985, c. B-3, as amended.

"Canadian Court" means the Ontario Superior Court of Justice (Commercial List).

"CCAA" means Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended.

"Chapter 11 Cases" has the meaning set forth in the recitals hereof.

"Commercial Tort Claims" means any commercial tort claims or causes of action owned by the Company arising on or before the Petition Date that remained outstanding as of the Petition Date.

"Commercial Tort Proceeds" means the cash proceeds, if any, of any Commercial Tort Claims.

"Committee" has the meaning set forth in the preamble hereof.

"Committee Advisors" means, collectively, the Committee Counsel, Alvarez & Marsal North America, LLC, Gowling WLG, and any tax advisory firm whose retention by the Committee is approved by a Retention Order.

"Committee Counsel" means Pachulski Stang Ziehl & Jones LLP.

"Committee Monthly Fee Cap" means the sum of $300,000 per month beginning on August 1, 2019, which amount represents the maximum aggregate amount of (a) professional fees and expenses that may be incurred by professionals retained by the Committee in the Chapter 11 Cases (including the Committee Advisors) for which reimbursement is sought and (b) expenses incurred by the members of the Committee for which reimbursement is sought, each pursuant to and in accordance with section 1103 of the Bankruptcy Code; *provided* that any unused amounts from a prior month may be used for fees and expenses incurred in one or more subsequent months on a rolling basis.

"Committee Releasing Parties" has the meaning set forth in Section 18(c) hereof.

"Company" has the meaning set forth in the preamble hereof.

"Company Releasing Parties" has the meaning set forth in Section 18(c) hereof.

"Company Advisors" means, collectively, Kirkland & Ellis LLP, Houlihan Lokey Capital, Inc., and Carl Marks Advisors.

"Confirmation Order" means the order entered by the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.

"Consenting Term Loan Lenders" has the meaning set forth in the preamble hereof.

"Consenting Term Loan Released Parties" has the meaning set forth in Section 18(b) hereof.

"Consenting Term Loan Releasing Parties" has the meaning set forth in Section 18(a) hereof.

"Debtors" means, collectively, (a) Dream II Holdings, LLC, (b) Hollander Home Fashions Holdings, LLC, (c) Hollander Sleep Products, LLC, (d) Hollander Sleep Products Kentucky, LLC, (e) Pacific Coast Feather, LLC, (f) Pacific Coast Feather Cushion, LLC, and (g) Hollander Sleep Products Canada Limited.

"Definitive Documentation" means the definitive documents and agreements governing the Restructuring Transactions, including the documents listed in Section 4 hereof and any and all other documentation necessary to effectuate the Restructuring Transactions or that is contemplated by the Plan. "Definitive Document" shall have a correlative meaning.

"DIP ABL Agent" means the administrative agent under the DIP ABL Credit Agreement, solely in its capacity as such.

"DIP ABL Credit Agreement" means that certain debtor-in-possession credit agreement by and among the Company, the administrative agent thereunder, and the DIP ABL Lenders, as may be amended, modified, restated, or supplemented from time to time.

"DIP ABL Credit Facility" means the senior secured revolving credit facility provided for under the DIP ABL Credit Agreement.

"DIP ABL Lenders" means the banks, financial institutions, and other lenders party to the DIP ABL Credit Agreement from time to time.

"DIP Last Out Loan Claims" means any and all claims derived from or based upon the DIP Last Out Loans.

"DIP Last Out Loans" has the meaning set forth in the recitals hereof.

"DIP Orders" means, collectively, the interim and final orders authorizing the use of cash collateral and approving the DIP Term Loan Credit Facility and the DIP ABL Credit Facility, each on terms materially consistent with the DIP Term Loan Commitment Letter.

"DIP Term Loan Agent" means Barings Finance LLC, in its capacity as administrative agent under the DIP Term Loan Credit Agreement, solely in its capacity as such, and any successor agent thereto.

"DIP Term Loan Claims" means any and all claims derived from or based upon the DIP Term Loan Credit Facility.

"DIP Term Loan Commitment Letter" has the meaning set forth in the recitals hereof.

"DIP Term Loan Credit Agreement" means that certain debtor-in-possession credit agreement by and among the Debtors, the DIP Term Loan Agent, and the DIP Term Loan Lenders, as may be amended, modified, restated, or supplemented from time to time, the form of which is attached as **Exhibit A** to the DIP Term Loan Commitment Letter.

"DIP Term Loan Credit Facility" has the meaning set forth in the recitals hereof.

"DIP Term Loan Lenders" has the meaning set forth in the recitals hereof.

"Disclosure Statement" means the disclosure statement (and all exhibits thereto) with respect to the Plan.

"Exit ABL Agent" means the administrative agent under the Exit ABL Credit Agreement, solely in its capacity as such.

"Exit ABL Credit Agreement" means that certain credit agreement by and among the Reorganized Debtors, the Exit ABL Agent, and the Exit ABL Lenders.

"Exit ABL Documents" means the Exit ABL Credit Agreement and all other agreements, documents, and instruments related thereto, including any guaranty agreements, pledge and collateral agreements, intercreditor agreements, and other security agreements.

"Exit ABL Facility" means the asset-based revolving credit facility provided for under the Exit ABL Credit Agreement.

"Exit ABL Lenders" means the banks, financial institutions, and other lenders party to the Exit ABL Credit Agreement from time to time, solely in their capacity as such.

"Exit Facility Documents" means, collectively, the Exit ABL Documents and the Exit Term Loan Documents.

"Exit Term Loan Agent" means the administrative agent under the Exit Term Loan Credit Agreement, solely in its capacity as such.

"Exit Term Loan Commitment Letter" has the meaning set forth in the recitals hereof.

"Exit Term Loan Credit Agreement" means that certain credit agreement by and among the Reorganized Debtors, the Exit Term Loan Agent, and the Exit Term Loan Lenders.

"Exit Term Loan Credit Facility" has the meaning set forth in the recitals hereof.

"Exit Term Loan Documents" means the Exit Term Loan Credit Agreement and all other agreements, documents, and instruments related thereto, including any guaranty agreements, pledge and collateral agreements, intercreditor agreements, and other security agreements.

"Exit Term Loan Lenders" has the meaning set forth in the recitals hereof.

"General Unsecured Claims" has the meaning set forth in the Plan.

"GUC Liquidation Recovery Pool" means the sum of $250,000, payable from the first available proceeds of the Term Loan Priority Collateral for the benefit of holders of General Unsecured Claims in the event that each of the Chapter 11 Cases are converted to, or the occurrence of, a Liquidation Case.

"GUC Reorganization Recovery Pool" means a sum payable by the Company for the benefit of holders of General Unsecured Claims if the Term Loan Lenders are the Winning Bidder (as defined in the Plan) equal to: (a) cash in the amount of $500,000 *plus* (b) if the Reorganized Debtors are sold within 24 months of the effective date of the Plan and the Term Loan Lenders receive more than a 30 percent recovery on account of their Term Loan Claims (based on the full amount of each such holder's Term Loan Claim) (which shall be calculated after the repayment in full of the Exit ABL Facility and the Exit Term Loan Credit Facility (including, for the avoidance of doubt, the conversion of the DIP Term Loan Credit Facility into the Exit Term Loan Credit Facility), any claims (or interests) related to the foregoing and any replacement or additional money raised to fund the Reorganized Debtors, the sources and uses of such sale transaction, and any other obligations repaid as part of such transaction), 5 percent of each dollar in excess thereof *less* (c) any fees, expenses, and disbursements of the Plan Administrator in excess of the Plan Administrator Budget (as such terms are defined in the Plan), including any fees, expenses, and disbursements associated with the prosecution of Commercial Tort Claims, if any.

"GUC Sale Transaction Recovery Pool" means, in a Sale Transaction, a sum payable by the Company from the first available proceeds of the Term Loan Priority Collateral for the benefit of holders of General Unsecured Claims equal to: (a) cash in the amount of $600,000, *plus* (b) if the Term Loan Lenders receive more than a 30 percent recovery on account of their Term Loan Claims (based on the full amount of each such holder's Term Loan Claim), 5 percent of each dollar in excess thereof, *plus* (c) if the Term Loan Lenders receive more than a 50 percent recovery on account of their Term Loan Claims (based on the full amount of each such holder's Term Loan Claim), 7.5 percent of each dollar in excess thereof *less* (d) any fees, expenses, and disbursements of the Plan Administrator in excess of the Plan Administrator Budget (as such terms are defined in the Plan), including any fees, expenses, disbursements associated with the prosecution of Commercial Tort Claims, if any.

"Hollander Canada" means Hollander Sleep Products Canada Limited.

"Information Officer" means the information officer appointed by the Canadian Court in the proceedings commenced by the Debtors under Part IV of the CCAA to recognize the Chapter 11 Cases as "foreign main proceedings" in Canada.

"Intercreditor Agreement" means that certain Amended and Restated Intercreditor Agreement by and among the ABL Agent and the Term Loan Agent, as may be amended, modified, restated, or supplemented from time to time.

"Last Out Loans" has the meaning set forth in the recitals hereof.

"Last Out Loans Turnover Amount" means an amount up to $650,000 in the aggregate to be paid for the benefit of holders of General Unsecured Claims, which shall be paid from (i) the first $200,000 of any proceeds distributed to holders of DIP Last Out Loan Claims on account of such claims (including, after being rolled into any Exit ABL Facility, on account of any repayment as part of such Exit ABL Facility), plus (ii) 50 percent of each dollar received in excess of the first $200,000 of any such proceeds distributed to the holders of DIP Last Out Loan Claims up to a total maximum amount of $650,000 (inclusive of the first $200,000 of proceeds paid).

"Liquidation Case" means a case under chapter 7 of the Bankruptcy Code or liquidation of the Company's assets (other than as a going concern Sale Transaction) under chapter 11 of the Bankruptcy Code (including through a chapter 11 plan of liquidation), *provided* that, solely with respect to Hollander Canada, a "Liquidation Case" may also mean a proceeding under the BIA, and any such proceeding in respect of Hollander Canada, whether under chapter 7 or chapter 11 of the Bankruptcy Code or the BIA, shall require the prior consent of the Information Officer.

"Milestones" means the milestones set forth in the DIP Term Loan Credit Agreement and the DIP Orders, as applicable.

"Original RSA" has the meaning set forth in the recitals hereof.

"Participation Agreements" means the Existing Participation Agreement (as defined in the DIP ABL Credit Agreement) and the Participation Agreement (as defined in the DIP ABL Credit Agreement).

"Party" and "Parties" have the meanings set forth in the preamble hereof.

"Petition Date" means the date the Company commences the Chapter 11 Cases.

"Plan" has the meaning set forth in the recitals hereof.

"Plan Supplement" means the compilation of documents and forms of documents, schedules, and exhibits to the Plan that will be filed by the Company with the Bankruptcy Court, and which shall include the Exit Facility Documents and any other necessary documentation related to the Restructuring Transactions.

"Plan Support Period" means the period commencing on the date hereof and ending on the Termination Date.

"Put Agreement" means that certain put agreement, dated as of November 27, 2018, by and between the Put Purchasers, as purchasers, the ABL Agent, and SunTrust Bank.

"Put Purchasers" means Sentinel Capital Partners V, L.P., Sentinel Dream Blocker, Inc., and Sentinel Capital Investors V, L.P.

"Release" means the release of claims set forth in Section 18 hereof.

"Release Revocation Event" has the meaning set forth in Section 19(b) hereof.

"Release Revocation Notice" has the meaning set forth in Section 19(a) hereof.

"Releasing Parties" has the meaning set forth in Section 18(c) hereof.

"Reorganized Debtors" means the Debtors, as reorganized pursuant to and under the Plan, or any successor or assign thereto, by merger, amalgamation, consolidation, or otherwise, on or after the effective date of the Plan, including reorganized Dream II Holdings, LLC.

"Required Consenting Term Loan Lenders" means the Consenting Term Loan Lenders who hold, in the aggregate, at least 66.67 percent in principal amount outstanding of all Term Loan Claims held by Consenting Term Loan Lenders.

"Required DIP Term Loan Lenders" means the DIP Term Loan Lenders who hold, in the aggregate, more than 50.0 percent in principal amount outstanding of all DIP Term Loan Claims held by DIP Term Loan Lenders.

"Restructuring Support Parties" means, collectively, the Consenting Term Loan Lenders, the Committee, and the Sponsor.

"Restructuring Transactions" has the meaning set forth in the recitals hereof.

"Retention Order" means an order of the Bankruptcy Court, consistent with (i) the engagement letter between the Company and the respective Company Advisor, authorizing the Company to retain and employ the respective Company Advisor, or (ii) the terms of the retention applications filed by the Committee to retain and employ the respective Committee Advisor, authorizing the Committee to retain and employ the respective Committee Advisor.

"Revocation Cure Period" has the meaning set forth in Section 19(a) hereof.

"Sale Transaction" has the meaning set forth in the Plan.

"Settlement" has the meaning set forth in the recitals hereof.

"Solicitation Materials" means the ballots and other related materials drafted in connection with the solicitation of acceptances of the Plan.

"Solicitation Order" means the order of the Bankruptcy Court approving the Disclosure Statement and the Solicitation Materials.

"Sponsor" has the meaning set forth in the preamble hereof.

"Sponsor Counsel" means Kramer Levin Naftalis & Frankel LLP.

"Sponsor Prepetition Equity Interests" has the meaning set forth in the recitals.

"Sponsor Released Parties" has the meaning set forth in Section 18(a) hereof.

"Sponsor Releasing Parties" has the meaning set forth in Section 18(b) hereof.

"Sponsor Termination Event" has the meaning set forth in Section 12 hereof.

"Term Loan Agent" means Barings Finance LLC, in its capacity as administrative agent under the Term Loan Credit Agreement, solely in its capacity as such, and any successor agent thereto.

"Term Loan Agent Counsel" means King & Spalding LLP.

"Term Loan Claims" means any and all claims derived from or based upon the term loan facility provided for under the Term Loan Credit Agreement.

"Term Loan Credit Agreement" means that certain term loan credit agreement dated as of June 9, 2017, by and among the Company, as borrower, Dream II Holdings, LLC and Hollander Home Fashions Holdings, LLC, as guarantors, the Term Loan Lenders, and the Term Loan Agent, as amended, modified, restated, or supplemented from time to time prior to the Petition Date.

"Term Loan Lenders" means the banks, financial institutions, and other lenders party to the Term Loan Credit Agreement from time to time, each solely in their capacity as such.

"Term Loan Priority Collateral" has the meaning given to such term as defined in the Intercreditor Agreement.

"Termination Date" means the date on which termination of this Agreement in accordance with the terms herein is effective.

"Transfer" means to sell, transfer, assign, pledge, grant a participation interest in, or otherwise dispose of, directly or indirectly, in whole or in part, a Party's right, title, or interest in respect of any of such Party's claims (including Term Loan Claims) against, or interests in, the Company, or the deposit of any of such Party's claims against or interests in the Company, as applicable, into a voting trust, or the grant of any proxies, or entry into a voting agreement with respect to any such claims or interests.

"Transferee Joinder" means a transferee joinder substantially in the form attached hereto as **Exhibit E**.

"Transferor" means the Restructuring Support Party making a Transfer.

Capitalized terms used but not defined herein shall have the meanings given to such terms in the DIP Term Loan Commitment Letter or the Plan, as applicable. Unless otherwise specified, references in this Agreement to any Section or clause refer to such Section or clause as contained in this Agreement. The words "herein," "hereof," and "hereunder" and other words of similar import in this Agreement refer to this Agreement as a whole, and not to any particular Section or clause contained in this Agreement. Wherever from the context it appears appropriate, each term stated in either the singular or plural shall include the singular and the plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and neuter genders. The words "including," "includes," and "include" shall each be deemed to be followed by the words "without limitation". Wherever the consent or the written consent of a Party is required, the other Parties may rely on email correspondence from counsel to such Party.

2. **Agreement Effective Date**. The Agreement Effective Date of this amended and restated Agreement shall occur immediately upon (a) delivery to the Parties of executed and released signature pages for this Agreement from (i) the Company, (ii) the Required Consenting Term Loan Lenders, (iii) the Sponsor, and (iv) the Committee, and (b) approval of the Bankruptcy Court of the Company's assumption of this Agreement and the Company's and Committee's releases set forth herein. Upon the Agreement Effective Date, this Agreement shall be deemed effective and thereafter the terms and conditions herein may only be amended, modified, waived, or otherwise supplemented as set forth in Section 33 hereof.

3. **Incorporation by Reference**. The DIP Term Loan Commitment Letter, the Exit Term Loan Commitment Letter, and the Plan, along with each of the exhibits attached hereto and any schedules to such exhibits, are expressly incorporated herein and made a part of this Agreement, and all references to this Agreement shall include the DIP Term Loan Commitment Letter, the Exit Term Loan Commitment Letter, and the Plan and all other such exhibits and schedules to such exhibits. In the event of any inconsistency between this Agreement (excluding the DIP Term Loan Commitment Letter, the Exit Term Loan Commitment Letter, and the Plan) and the DIP Term Loan Commitment Letter, the Exit Term Loan Commitment Letter, or the Plan, the DIP Term Loan Commitment Letter, the Exit Term Loan Commitment Letter, or the Plan shall govern, as applicable.

4. **Definitive Documentation**.

(a) The Definitive Documentation shall include:

(i) the Plan;

(ii) the Plan Supplement and the documents contained therein;

(iii) the Confirmation Order;

(iv) the Disclosure Statement, the motion seeking approval of the Disclosure Statement, the Solicitation Materials (including a letter from the Committee in support of the Plan), and the Solicitation Order;

(v) the DIP Orders, the DIP Term Loan Credit Agreement, and the DIP ABL Credit Agreement;

(vi) the Exit Facility Documents; and

(vii) organizational documents of the reorganized Company, including any stockholders' agreement, operating agreement, limited liability company agreement, or other similar agreement setting forth the rights and obligations of the holders of the equity of the reorganized Company following the effective date of the Plan.

(b) Except as set forth herein, the Definitive Documentation (and any modifications, restatements, supplements, or amendments to any of them) will, after the Agreement Effective Date, remain subject to negotiation and shall, upon completion, contain terms, conditions, representations, warranties, and covenants consistent in all material respects with the terms of this Agreement and otherwise be in form and substance reasonably satisfactory in all material respects to each of the Company, the Required Consenting Term Loan Lenders, and the Sponsor, with reasonableness determined based on the economic and non-economic interest such Party has with respect to such Definitive Document, *except* that the DIP Orders and the DIP Term Loan Credit Agreement must be acceptable to the Required DIP Term Loan Lenders, the Exit Facility Documents must be acceptable to a majority of the Exit Term Loan Lenders by commitment amount, and the Plan, the Confirmation Order, and the Exit ABL Documents must be in form and substance reasonably acceptable to the Committee with respect to the provisions thereof that impact the interests of holders of General Unsecured Claims.

5. **Milestones**. The Company shall implement the Restructuring Transactions in accordance with the Milestones. The Company may extend a Milestone only with the express prior written consent of the Required Consenting Term Loan Lenders.

6. **Commitment of the Restructuring Support Parties**. Each Restructuring Support Party shall (severally and not jointly) during the Plan Support Period:

(a) support the Restructuring Transactions in accordance with the terms and conditions of this Agreement and take all actions reasonably necessary to support consummation of the Restructuring Transactions, by: (i) when properly solicited to do so, voting all of its claims (including all of its Term Loan Claims) against, or interests in, as applicable, the Company now or hereafter owned by such Restructuring Support Party (or for which such Restructuring Support Party now or hereafter serves as the nominee, investment manager, or advisor for holders thereof) to accept the Plan (provided that this requirement is not applicable to the Committee); (ii) timely returning a duly-executed ballot in connection therewith (provided that this requirement is not applicable to the Committee);

(iii) supporting and not "opting out" of any releases under the Plan and affirmatively opting into such releases if required to do so (provided that this requirement is not applicable to the Committee); (iv) if applicable, negotiating in good faith the Exit Term Loan Documents in accordance with the Exit Term Loan Commitment Letter; (v) if applicable, negotiating in good faith the Exit ABL Documents by no later than 90 days following the Petition Date; and (vi) if applicable and to the extent there is a Sale Transaction, supporting, and not objecting to, or materially delaying or impeding, or taking any other action that would be reasonably expected to materially interfere, directly or indirectly, with such Sale Transaction, and at all times supporting the payment of all allowed administrative and priority claims pursuant to such Sale Transaction;

(b) not seek, support, or solicit an Alternative Transaction;

(c) not withdraw, amend, or revoke (or cause to be withdrawn, amended, or revoked) its tender, consent, and/or vote, as and if applicable, with respect to the Plan;

(d) support, and not object to, or materially delay or impede, or take any other action that would be reasonably expected to materially interfere, directly or indirectly, with the Restructuring Transactions;

(e) support, and not object to, or materially delay or impede, or take any other action that would be reasonably expected to materially interfere, directly or indirectly, with the entry by the Bankruptcy Court of any of the DIP Orders, and shall (a) not propose, support, or file a pleading with the Bankruptcy Court seeking entry of an order authorizing, directly or indirectly, any use of cash collateral or debtor-in-possession financing other than as proposed in each of the DIP Orders or (b) not direct the Term Loan Agent to propose, file, support, or file a pleading with the Bankruptcy Court seeking entry of an order authorizing, directly or indirectly, any use of cash collateral or debtor-in-possession financing other than as proposed in each of the DIP Orders and, to the extent the Term Loan Agent proposes, files, supports or files such a pleading, shall direct the Term Loan Agent to withdraw such proposal, support, or pleading;

(f) not file or support, and not direct the Term Loan Agent to file or support, any motion or pleading with the Bankruptcy Court that is not materially consistent with this Agreement;

(g) to the extent any legal or structural impediment arises that would prevent, hinder, or delay the consummation of the Restructuring Transactions, negotiate in good faith appropriate additional or alternative provisions to address any such impediment;

(h) not object to, or otherwise contest, any application filed with the Bankruptcy Court seeking: (i) entry of the Retention Orders, authorizing, as applicable, the Company or the Committee to retain and employ such Company Advisors or Committee Advisors who have entered into engagement letters with the Company or entered into agreements with the Committee that are in effect as of the Agreement Effective Date; or (ii) allowance of any monthly, interim, or final fee application or completion, transaction, or success fee (or similar fee) set forth in the respective Company Advisor's or Committee Advisor's engagement letter with the Company or the Committee, as applicable, so long as such application is consistent with the terms of the applicable Company Advisor's Retention Order or the Committee Monthly Fee Cap beginning August 1, 2019, as applicable; and

(i) in the event the Plan cannot be confirmed and the Debtors determine in good faith (after consultation with the Parties) to proceed with a conversion of each of the Chapter 11 Cases to, or occurrence of, a Liquidation Case or dismissal, each Party agrees to abide by its obligations set forth in this Agreement, subject to the terms herein (including, for the avoidance of doubt, the releases set forth in Section 18 hereof and any payment obligations or consent obligations of the Consenting Term Loan Lenders or the Sponsor set forth in Section 7(d) and Section 8(b) hereof, respectively).

Notwithstanding the foregoing, nothing in this Agreement and neither a vote to accept the Plan by any Restructuring Support Party nor the acceptance of the Plan by any Restructuring Support Party shall (x) be construed to prohibit any Restructuring Support Party from contesting whether any matter, fact, or thing is a breach of, or is inconsistent with, this Agreement or the Definitive Documentation, or exercising rights or remedies specifically reserved herein; (y) be construed to prohibit or limit any Restructuring Support Party from appearing as a party-in-interest in any matter to be adjudicated in the Chapter 11 Cases, so long as, during the Plan Support Period, such appearance and the positions advocated in connection therewith are not materially inconsistent with this Agreement, are not prohibited by this Agreement and are not for the purpose of hindering, delaying, or preventing the consummation of the Restructuring Transactions; or (z) limit the ability of a Restructuring Support Party to sell or enter into any transactions in connection with its claims (including all of its Term Loan Claims) against, or interests in, as applicable, the Company now or hereafter owned by such Restructuring Support Party, subject to Section 21 of this Agreement. For the avoidance of doubt, each Party agrees to support modification of the Plan (in accordance with its terms and this Agreement) as necessary to implement the Settlement, including to permit the liquidation of the Company's assets; *provided*, *however*, that nothing herein shall obligate any Party to provide additional funding in any form to confirm such liquidating Plan or otherwise finance such liquidating Plan.

7. **Term Loan Lender Commitments**. In addition to the obligations set forth in Section 6 hereof, the Term Loan Agent and each Consenting Term Loan Lender shall, during the Plan Support Period:

(a) as applicable, (i) subject to the occurrence of the effective date of the Plan, waive any deficiency claims on account of the Term Loan Claims pursuant to the Plan, and (ii) not assert any deficiency claims against the GUC Liquidation Recovery Pool;

(b) consent to the Company's funding of the GUC Reorganization Recovery Pool through the Plan in the event there is no Sale Transaction in accordance with the terms of the Plan;

(c) consent to the Company's funding of the GUC Sale Transaction Recovery Pool through the Plan in the event there is a Sale Transaction in accordance with the terms of the Plan (or other sale of all or substantially all assets under section 363 of the Bankruptcy Code); and

(d) consent to the funding of the GUC Liquidation Recovery Pool from the first available proceeds of Term Loan Priority Collateral, solely to the extent that each Chapter 11 Case converts to, or the occurrence of, a Liquidation Case, and in the case of a conversion to chapter 7 or, solely with respect to Hollander Canada, a proceeding under the BIA, the applicable *pro rata* share of the GUC Liquidation Recovery Pool will be distributed to the chapter 7 trustee or, to the extent applicable, the trustee under the BIA to be held, in trust, solely for the benefit of and distribution to the holders of General Unsecured Claims. The obligation to fund the GUC Liquidation Recovery Pool shall survive the termination of this Agreement by the Consenting Term Loan Lenders, unless this Agreement is terminated by the Consenting Term Loan Lenders due to a material breach of this Agreement by the Committee (subject to the conditions set forth in Section 19(c)(iii) hereof).

8. **Sponsor Commitments**. In addition to the obligations set forth in Section 6 hereof, the Sponsor shall, during the Plan Support Period:

(a) not challenge, or support any party that challenges, the validity, enforceability, or priority of the Term Loan Credit Agreement or any portion of the Term Loan Claims; and

(b) cause the Put Purchasers to (and, if applicable, direct the ABL Agent to) (i) convert all revolving commitments under the Last Out Loans into commitments under the DIP ABL Credit Facility consistent with the terms of the DIP Term Loan Commitment Letter, (ii) upon the effective date of the Plan, convert all revolving commitments under the DIP ABL Credit Facility into commitments under the Exit ABL Facility on a last out basis (on terms reasonably acceptable to each holder of an allowed DIP Last Out Loan Claim) and with the same priority with respect to the ABL Priority Collateral and the Term Loan Priority Collateral as existed under the Intercreditor Agreement (or to the extent there is a Sale Transaction, support, and not object to, or materially delay or impede, or take any other

action that would be reasonably expected to materially interfere, directly or indirectly, with such Sale Transaction), (iii) support a Plan that provides that the Sponsor receives no distribution of any kind on account of the Sponsor Prepetition Equity Interests unless a Sale Transaction provides sufficient cash to repay all Claims (as defined in the Plan) in accordance with the Plan, and (iv) distribute the Last Out Loans Turnover Amount for the benefit of holders of General Unsecured Claims on the terms set forth in the Plan or, if applicable, funded from the cash proceeds, if any, received by the Put Purchasers on account of the DIP Last Out Loan Claims upon a conversion of each of the Chapter 11 Cases to, or the occurrence of, a Liquidation Case and in the case of a conversion to chapter 7 or, solely with respect to Hollander Canada, a proceeding under the BIA, the applicable *pro rata* share of the Last Out Loans Turnover Amount will be distributed to the chapter 7 trustee or, to the extent applicable, the trustee under the BIA to be held, in trust, solely for the benefit of and distribution to the holders of General Unsecured Claims. The obligation to distribute the Last Out Loans Turnover Amount upon a conversion of each of the Chapter 11 Cases to, or the occurrence of, a Liquidation Case shall survive the termination of this Agreement by the Sponsor, unless this Agreement is terminated by the Sponsor due to a material breach of this Agreement by the Committee (subject to the conditions set forth in Section 19(c)(iii) hereof).

9. **Committee Commitments**. In addition to the obligations set forth in Section 6 hereof, the Committee shall, during the Plan Support Period:

(a) support, and not directly or indirectly oppose, the Plan, including by encouraging holders of General Unsecured Claims to vote to approve the Plan and take any and all necessary or appropriate actions in furtherance of the transactions contemplated under the Plan;

(b) not challenge, or support any party that challenges, the validity, enforceability, or priority of the Term Loan Credit Agreement, any portion of the Term Loan Claims, the ABL Credit Agreement, any portion of the ABL Claims (as defined in the Plan), the DIP ABL Credit Agreement, any portion of the DIP ABL Claims (as defined in the Plan), DIP Term Loan Credit Agreement, any portion of the DIP Term Loan Claims (as defined in the Plan), the Put Agreement and the Participation Agreements or the transactions contemplated thereby and/or any portion of the Last Out Loans or DIP Last Out Loans, the DIP Orders, and any liens related to or granted by any of the foregoing, which obligation shall survive the termination of this Agreement by the Consenting Term Loan Lenders or the Sponsor;

(c) subject to its fiduciary duties, support, and not directly or indirectly oppose, any Sale Transaction supported by the Debtors and consummated

in accordance with the Plan and the Bidding Procedures (as defined in the Plan);

(d) grant the releases by the Committee set forth in this Agreement and support, and not object to, the release and exculpation provisions of the Plan, including direct releases by the Committee of any claims that may be asserted by the Committee derivatively on behalf of its members or the Debtors against the Term Loan Lenders, the Term Loan Agent, the Consenting Term Loan Released Parties, the ABL Lenders, the ABL Agent, the DIP Term Loan Lenders, the DIP Term Loan Agent, the DIP ABL Agent, the DIP ABL Lenders, the Sponsor Released Parties, the Put Purchasers, the Debtors' current and former directors and officers, and the Company Advisors based on or relating to, or in any manner arising from, in whole or in part, the Debtors and Debtor transactions set forth in Article VIII.D of the Plan;

(e) support, and not object to, or materially delay or impede, or take any other action that would be reasonably expected to materially interfere, directly or indirectly, with the entry by the Bankruptcy Court of the DIP Orders;

(f) waive any enforcement rights that may be asserted by the Committee under section 506(c) of the Bankruptcy Code, and waive any ability to require the Debtors or any successor trustee to bring such enforcement rights;

(g) support, and not directly or indirectly oppose, the Debtors' ordinary course cash management operations, including the flow of funds between the Debtors' Canadian and U.S. entities;

(h) not seek any reimbursement of professional fees or expenses in excess of the Committee Monthly Fee Cap, *provided* that the Committee shall be entitled to seek reimbursement for all reasonable professional fees and expenses incurred by the Committee in the Chapter 11 Cases up to and including July 31, 2019;

(i) subject to its fiduciary duties, not oppose any motions or other pleadings filed by the Debtors in the Chapter 11 Cases, so long as such motion or pleading does not materially and negatively affect the rights of holders of General Unsecured Claims, including any motion seeking approval of the DIP Term Loan Credit Facility, the Exit Term Loan Credit Facility, the Exit ABL Facility, and any documents or commitments related thereto; and

(j) not seek or support any party in seeking to convert any of the Chapter 11 Cases to Liquidation Cases (other than as provided for in Section 6(i) hereof).

10. **Commitment of the Company**. Subject to Section 20 hereof, the Company shall, during the Plan Support Period:

(a) timely (i) file the motion seeking entry, and seek entry by the Bankruptcy Court of each, of the DIP Orders, (ii) file the Disclosure Statement and the motion seeking entry of the Solicitation Order and seek entry by the Bankruptcy Court of the Solicitation Order, and (iii) file the Plan and seek entry by the Bankruptcy Court of the Confirmation Order;

(b) (i) support and use commercially reasonable efforts to execute and complete the Restructuring Transactions set forth in the Plan and this Agreement, (ii) negotiate in good faith all Definitive Documentation that is subject to negotiation as of the Agreement Effective Date and take any and all necessary and appropriate actions in furtherance of the Plan and this Agreement, and (iii) consult in good faith with the Consenting Term Loan Lenders, the Committee, and the Sponsor on each of the foregoing provisos;

(c) if applicable, take all reasonable actions necessary to consummate a sale of assets as contemplated by the Plan;

(d) provide the Consenting Term Loan Lenders and their advisors with, and direct their employees, officers, advisors, and other representatives to provide the Consenting Term Loan Lenders and their advisors with, (i) reasonable access to the Company's books and records, (ii) reasonable access to the management and advisors of the Company (including Carl Marks and Houlihan Lokey Capital, Inc.) for the purposes of evaluating the Company's assets, liabilities, operations, businesses, finances, strategies, prospects, and affairs, and (iii) reasonable responses to all reasonable diligence requests within a reasonable timeline based on the applicable circumstances to such diligence requests;

(e) timely file (and diligently prosecute) a formal objection to any motion filed with the Bankruptcy Court by a party-in-interest seeking the entry of an order (i) directing the appointment of a trustee or examiner (with expanded powers beyond those set forth in section 1106(a)(3) and (4) of the Bankruptcy Code), (ii) converting any of the Chapter 11 Cases to a Liquidation Case (other than as provided for in Section 6(i) hereof), or (iii) dismissing any of the Chapter 11 Cases (other than as provided for in Section 6(i) hereof);

(f) timely file (and diligently prosecute) a formal objection to any motion filed with the Bankruptcy Court by a party-in-interest seeking the entry of an order modifying or terminating the Company's exclusive right to file and/or solicit acceptances of a chapter 11 plan, as applicable;

(g) timely file (and diligently prosecute) a formal objection to any motion, application, or adversary proceeding challenging the validity, enforceability, perfection, or priority of, or seeking avoidance or subordination of, (i) the Prepetition Term Loan Credit Agreement and any portion of the Term Loan Claims or (ii) the Put Agreement and the Participation Agreements or the transactions contemplated thereby and/or any portion of the Last Out Loans or DIP Last Out Loans;

(h) not challenge, or support any party that challenges, the validity, enforceability, or priority of the (i) Prepetition Term Loan Credit Agreement or any portion of the Term Loan Claims or (ii) the Put Agreement and the Participation Agreements or the transactions contemplated thereby and/or any portion of the Last Out Loans or DIP Last Out Loans;

(i) maintain their good standing under the laws of the states and, in the case of Hollander Canada, province in which they are incorporated or organized;

(j) timely comply with all Milestones;

(k) seek a Confirmation Order that becomes effective and enforceable immediately upon its entry and seek to have the period in which an appeal thereto must be filed commence immediately upon its entry;

(l) use their commercially reasonable efforts to (i) preserve intact in all material respects their current business organizations, (ii) keep available the services of their current officers and material employees (in each case, other than voluntary resignations, terminations for cause, or terminations consistent with applicable fiduciary duties), and (iii) preserve in all material respects their relationships with customers, sales representatives, suppliers, distributors, and others, in each case, having material business dealings with the Company (other than terminations for cause or consistent with applicable fiduciary duties);

(m) to the extent that any legal or structural impediment arises that would prevent, hinder, or delay the consummation of the transactions contemplated in this Agreement or the Plan, negotiate in good faith appropriate additional or alternative provisions to address any such impediment, in consultation with the Sponsor and the Committee, and any such provisions to be reasonably acceptable to the Required Consenting Term Loan Lenders (and reasonably acceptable to the Sponsor with respect to the Last Out Loans, DIP Last Out Loans, and Last Out Loans Turnover);

(n) as soon as reasonably practicable, notify the Consenting Term Loan Lenders, the Committee, and the Sponsor of any governmental or third

party complaints, litigations, investigations, or hearings (or communications indicating that the same may be contemplated or threatened) that would prevent, hinder, or delay the consummation of the transactions contemplated in this Agreement or the Plan of which the Company Advisors have actual knowledge by furnishing written notice to the Consenting Term Loan Lenders, the Committee, and the Sponsor within two business days of actual knowledge of such event;

(o) as soon as reasonably practicable, notify the Consenting Term Loan Lenders, the Committee, and the Sponsor of any breach by the Company of which the Company Advisors have actual knowledge in respect of any of the obligations, representations, warranties, or covenants set forth in this Agreement by furnishing written notice to the Consenting Term Loan Lenders, the Committee, and the Sponsor promptly and, in any event, within two business days of actual knowledge of such breach;

(p) pay in cash (i) prior to the Petition Date, all reasonable fees and expenses accrued prior to the Petition Date by the Term Loan Agent Counsel, (ii) after the Petition Date, all reasonable fees and expenses of the Term Loan Agent Counsel incurred on and after the Petition Date from time to time in accordance with the DIP Orders, and (iii) on and after the effective date of the Plan, all reasonable fees and expenses incurred by the Term Loan Agent Counsel in connection with the Restructuring Transactions;

(q) comply with the terms and conditions of the DIP Orders in respect of the treatment of any claims the Sponsor has accrued for its reasonable and documented fees and expenses relating to the Last Out Loans or DIP Last Out Loans and the transactions contemplated thereby, including the Put Agreement and the Participation Agreements, whether arising before or after the Petition Date;

(r) provide draft copies of all material pleadings, including "first day" and other motions (excluding retention applications) that the Company intends to file with the Bankruptcy Court in any of the Chapter 11 Cases or with the Canadian Court in any recognition proceedings of the Company under the CCAA to the Term Loan Agent Counsel, Committee Counsel, and Sponsor Counsel at least two business days (or as soon as is reasonably practicable under the circumstances) prior to the date when the Company intends to file such document, and shall consult in good faith with such counsel regarding the form and substance of any such proposed filing (provided that any of the foregoing relating to the DIP Term Loan Credit Facility, the Plan, and the Exit Term Loan Documents shall be deemed material);

(s) not initiate, prosecute, transfer, or otherwise attempt to collect upon any Avoidance Actions;

(t) subject to the occurrence of the effective date of the Plan, cause all Commercial Tort Proceeds and any Commercial Tort Claims belonging to the Company to be assigned and transferred to the Plan Administrator (as defined in the Plan) for the benefit of the holders of General Unsecured Claims; and

(u) not seek, solicit, or support any Alternative Transaction; and

(v) waive, pursuant to the DIP Orders, any enforcement rights that may be asserted by the Company or any successor thereto under section 506(c) of the Bankruptcy Code.

11. **Consenting Term Loan Lenders Termination Events**. The Required Consenting Term Loan Lenders shall have the right, but not the obligation, upon notice to the other Parties provided in accordance with Section 31 hereof, to terminate this Agreement as to all Parties upon the occurrence of any of the following events, unless waived, in writing, by the Required Consenting Term Loan Lenders on a prospective or retroactive basis:

(a) the failure to meet any of the Milestones unless such Milestone is extended in accordance with Section 5 of this Agreement; *provided* that if such failure is the result of any act, omission, or delay on the part of a Consenting Term Loan Lender in violation of such Consenting Term Loan Lender's obligations under this Agreement, such Consenting Term Loan Lender may not be among the Required Consenting Term Loan Lenders exercising their termination right with respect thereto under this Section 11(a);

(b) the occurrence of a breach of this Agreement (including any representation, warranty, or covenant contained herein) in any respect that adversely affects the Consenting Term Loan Lenders' interests in connection with the Restructuring Transactions, the Plan, or this Agreement, by the Company, by the Committee, or by the Sponsor that has not been cured (if susceptible to cure) before five business days after written notice to the Company, the Committee, and the Sponsor in accordance with Section 31(a) hereof, which notice must include a description of such breach from the Required Consenting Term Loan Lenders;

(c) the conversion of one or more of the Chapter 11 Cases to, or the occurrence of, a Liquidation Case other than as provided for herein;

(d) the dismissal of one or more of the Chapter 11 Cases without the prior written consent of the Required Consenting Term Loan Lenders, which consent shall not be unreasonably withheld;

(e) the appointment of a trustee, receiver, or examiner with expanded powers beyond those set forth in section 1106(a)(3) and (4) of the Bankruptcy Code in one or more of the Chapter 11 Cases;

(f) notice of an "Event of Default" (as defined in the DIP Term Loan Credit Agreement or the DIP ABL Credit Agreement, as applicable) has been given or declared under either the DIP Term Loan Credit Facility or the DIP ABL Credit Facility and has not been waived or timely cured in accordance therewith;

(g) the Definitive Documentation is not in form and substance satisfactory to the Required Consenting Term Loan Lenders in accordance with Section 4(b) hereof; *provided* that the Required Consenting Term Loan Lenders must provide five business days' written notice to the Company and the Sponsor in accordance with Section 31(a) hereof of any such proposed termination and the Company shall have such time to amend or modify such Definitive Documentation such that the applicable Definitive Documentation shall be in form and substance reasonably satisfactory to the Required Consenting Term Loan Lenders;

(h) the Company (i) files or announces that it will proceed with an Alternative Transaction or (ii) withdraws or announces its intention not to support the Plan;

(i) the Company, the Committee, or the Sponsor supports any person or entity seeking to take, or that takes, any of the actions set forth in the foregoing subsections (c)−(h) of this Section 11;

(j) the issuance by any governmental authority, including the Bankruptcy Court, any regulatory authority, or any other court of competent jurisdiction, of any ruling or order enjoining the substantial consummation of any of the Restructuring Transactions or a final, non-appealable ruling or order preventing the consummation of a material portion of the Restructuring Transaction; *provided* that, only to the extent that such ruling or order may be reasonably remedied, the Company shall have five business days after the issuance of such ruling or order to obtain relief that would allow consummation of the applicable Restructuring Transactions in a manner that (i) does not reasonably prevent or diminish in a material way compliance with the terms of the Plan and this Agreement and (ii) is reasonably acceptable to the Required Consenting Term Loan Lenders;

(k) the Bankruptcy Court enters a final order disallowing, invalidating, subordinating, recharacterizing, or declaring unenforceable the claims, liens, or interests held by the Consenting Term Loan Lenders, including any Term Loan Claims;

(l) termination of the commitments or acceleration of the obligations under the DIP Term Loan Credit Facility or DIP ABL Credit Facility pursuant to their respective terms;

(m) the Company files a motion seeking entry of an order approving any key employee incentive plan, employee retention plan, or comparable plan, except as provided in the Plan, without the prior written consent of the Required Consenting Term Loan Lenders, which shall not be unreasonably withheld, conditioned, or delayed; or

(n) the Bankruptcy Court enters an order modifying or terminating the Company's exclusive right to file and/or solicit acceptances of a plan of reorganization (including the Plan) without the Term Loan Agent and Term Loan Lenders consent.

12. **Sponsor Termination Events**. The Sponsor shall have the right, but not the obligation, upon notice to the other Parties provided in accordance with Section 31 hereof, to terminate this Agreement as to all Parties upon the occurrence of any of the following events, unless waived, in writing, by the Sponsor on a prospective or retroactive basis:

(a) the occurrence of a breach of this Agreement (including any representation, warranty, or covenant contained herein) in any respect that adversely affects the Sponsor's interests in connection with the Restructuring Transactions, the Plan, or this Agreement by the Company (unless such action has been caused by or otherwise supported by the Sponsor), by the Committee, or by one or more Consenting Term Loan Lenders holding Term Loan Claims in an aggregate outstanding principal amount such that non-breaching Consenting Term Loan Lenders (a) hold less than 66.67 percent of the aggregate outstanding principal amount of Term Loan Claims or (b) constitute less than 50 percent in number of the Term Loan Lenders that has not been cured (if susceptible to cure) before five business days after written notice to the Company in accordance with Section 31(a) hereof of such material breach by the Company, the Committee, or Consenting Term Loan Lender or Lenders, as applicable, asserting such termination, which notice must include a description of such breach;

(b) the dismissal of one or more of the Chapter 11 Cases without the prior written consent of the Sponsor, which consent shall not be unreasonably withheld;

(c) the appointment of a trustee, receiver, or examiner with expanded powers beyond those set forth in section 1106(a)(3) and (4) of the Bankruptcy Code in one or more of the Chapter 11 Cases;

(d) notice of an "Event of Default" (as defined in the DIP Term Loan Credit Agreement or the DIP ABL Credit Agreement, as applicable) has been given or declared under either the DIP Term Loan Credit Facility or the DIP ABL Credit Facility and has not been waived or timely cured in accordance therewith;

(e) the Definitive Documentation is not in form and substance reasonably satisfactory to the Sponsor in accordance with Section 4(b) hereof; *provided* that the Sponsor must provide five business days' written notice to the Company in accordance with Section 31(a) hereof of any such proposed termination and the Company shall have such time to amend or modify such Definitive Documentation such that the applicable Definitive Documentation shall be in form and substance reasonably satisfactory to the Sponsor;

(f) unless such action has been caused by or otherwise supported by the Sponsor, (i) the Company files or announces that it will proceed with an Alternative Transaction, (ii) withdraws or announces its intention not to support the Plan, or (iii) the conversion of one or more of the Chapter 11 Cases to, or the occurrence of, a Liquidation Case other than as provided for herein;

(g) the issuance by any governmental authority, including the Bankruptcy Court, any regulatory authority, or any other court of competent jurisdiction, of any ruling or order enjoining the substantial consummation of any of the Restructuring Transactions; *provided* that the Company shall have five business days after the issuance of such ruling or order to obtain relief that would allow consummation of the applicable Restructuring Transactions in a manner that (i) does not prevent or diminish in a material way compliance with the terms of the Plan and this Agreement or (ii) is reasonably acceptable to the Sponsor; or

(h) (i) the amendment or modification of the DIP Intercreditor Agreement (as defined in the Plan) in any respect that adversely affects the Sponsor's interests in connection with the Restructuring Transactions, the Plan, or this Agreement without its consent (such consent not to be unreasonably withheld), or (ii) the DIP ABL Credit Agreement is amended or modified, or the DIP ABL Agent or DIP ABL Lenders take actions, in violation of the Participation Agreement (as defined in the DIP ABL Credit Agreement).

13. **Committee Termination Events**. The Committee shall have the right, but not the obligation, upon notice to the other Parties provided in accordance with Section 31 hereof, to terminate this Agreement as to all Parties upon the occurrence of any of the following events, unless waived, in writing, by the Committee on a prospective or retroactive basis:

(a) the occurrence of a breach of this Agreement (including any representation, warranty, or covenant contained herein) in any respect that adversely affects, in any material respect, the interests of holders of General Unsecured Claims in connection with the Restructuring Transactions, the Plan, or this Agreement, by the Company, by the Sponsor, or by Consenting Term Loan Lenders holding Term Loan Claims in an aggregate outstanding principal amount such that non-breaching Consenting Term Loan Lenders (a) hold less than 66.67 percent of the aggregate outstanding principal amount of Term Loan Claims, or (b) constitute less than 50 percent in number of the Term Loan Lenders, that has not been cured (to the extent curable) before five business days after notice to all Restructuring Support Parties given in accordance with Section 31 hereof of such material breach by the Company, the Sponsor, or Consenting Term Loan Lender or Lenders, as applicable, asserting such termination, which notice must include a description of such breach;

(b) the Plan and the Confirmation Order are not in form and substance reasonably satisfactory to the Committee with respect to the provisions thereof that impact the interests of holders of General Unsecured Claims in accordance with Section 4(b) hereof; *provided* that the Committee must provide five business days' written notice to the Company in accordance with Section 31(a) hereof of any such proposed termination and the Company shall have such time to amend or modify the Plan and Confirmation Order such that they shall be in form and substance reasonably satisfactory to the Committee;

(c) following the Committee determining, upon advice of outside counsel, that proceeding with the Restructuring Transactions contemplated by this Agreement would be inconsistent with the continued exercise of its fiduciary duties as set forth in Section 20 hereof; *provided* that notwithstanding any provision of this Agreement to the contrary, upon such determination, the Committee shall be entitled, but not required, to terminate this Agreement immediately upon written notice to each Restructuring Support Party delivered in accordance with Section 31 hereof; *provided, further,* that notwithstanding the foregoing, the Settlement, including the payment obligations and the releases as set forth herein, shall survive termination of this Agreement and remain binding on the Committee; or

(d) the issuance by any governmental authority, including the Bankruptcy Court, any regulatory authority, or any other court of competent jurisdiction, of any ruling or order enjoining the substantial consummation of any of the Restructuring Transactions; *provided* that the Company shall have five business days after the issuance of such ruling or order to obtain relief that would allow consummation of the applicable Restructuring Transactions in a manner that (i) does not prevent or diminish in a material

way compliance with the terms of the Plan and this Agreement or (ii) is reasonably acceptable to the Committee.

14. **The Company's Termination Events**. The Company may, upon notice to the Restructuring Support Parties, terminate this Agreement as to all Parties upon the occurrence of any of the following events, unless waived, in writing, by the Company on a prospective or retroactive basis:

(a) the occurrence of a breach of this Agreement in any respect that adversely affects, in any material respect, the Company's interests in connection with the Restructuring Transactions, the Plan, or this Agreement, by the Sponsor, the Committee, or by Consenting Term Loan Lenders holding Term Loan Claims in an aggregate outstanding principal amount such that non-breaching Consenting Term Loan Lenders (a) hold less than 66.67 percent of the aggregate outstanding principal amount of Term Loan Claims or (b) constitute less than 50 percent in number of the Term Loan Lenders, that has not been cured (to the extent curable) before five business days after notice to all Restructuring Support Parties given in accordance with Section 31 hereof of such breach;

(b) any of the Definitive Documentation (including any amendment or modification thereof) is filed with the Bankruptcy Court or otherwise finalized, or has become effective, that is not materially consistent with this Agreement or otherwise reasonably satisfactory to the Company, and such inconsistency has not been cured before five business days after notice to all Restructuring Support Parties given in accordance with Section 31 hereof of such breach;

(c) the issuance by any governmental authority, including the Bankruptcy Court, any regulatory authority, or any other court of competent jurisdiction, of any ruling or order enjoining the substantial consummation of the Restructuring Transactions in a way that cannot be reasonably remedied by the Company in a manner that is reasonably satisfactory to the Required Consenting Term Loan Lenders, the Committee, and the Sponsor or a final, non-appealable ruling or order preventing the consummation of a material portion of the Restructuring Transactions; or

(d) following the Company determining, upon advice of outside counsel, that proceeding with the Restructuring Transactions contemplated by this Agreement would be inconsistent with the continued exercise of its fiduciary duties as set forth in Section 20 hereof; *provided* that notwithstanding any provision of this Agreement to the contrary, upon such determination, the Company shall be entitled, but not required, to terminate this Agreement immediately upon written notice to each Restructuring Support Party delivered in accordance with Section 31 hereof; *provided, further*, that notwithstanding the foregoing, the Settlement, including the payment obligations and the releases as set forth

herein, shall survive termination of this Agreement and remain binding on the Company.

15. **Mutual Termination; Automatic Termination**. This Agreement and the obligations of all Parties hereunder may be terminated by mutual written agreement by and among Dream II Holdings, LLC, on behalf of the Company, the Committee, the Required Consenting Term Loan Lenders, and the Sponsor. Notwithstanding anything in this Agreement to the contrary, this Agreement shall terminate automatically without further required action upon the occurrence of the effective date of the Plan. Notwithstanding the foregoing, the Settlement, including the payment obligations and the releases as set forth herein, shall survive termination of this Agreement.

16. **Automatic Stay**. The Company acknowledges and agrees and shall not dispute that after the commencement of the Chapter 11 Cases, the giving of notice of termination of this Agreement by any Party pursuant to this Agreement shall not be a violation of the automatic stay of section 362 of the Bankruptcy Code (and the Company hereby waives, to the fullest extent permitted by law, the applicability of the automatic stay as it relates to any such notice being provided); *provided* that nothing herein shall prejudice any Party's rights to argue that the giving of notice of default or termination was not proper under the terms of this Agreement.

17. **Effect of Termination**. Upon the termination of this Agreement, this Agreement (other than with respect to the release and certain payment obligations of the Settlement, which shall survive termination), including the obligation to support the Plan, shall be of no further force or effect with respect to any Restructuring Support Party, and each Restructuring Support Party shall: (a) be released from its commitments, undertakings, and agreements under or related to this Agreement; (b) have the rights and remedies that it would have had, had it not entered into this Agreement; (c) be entitled to take all actions, whether with respect to the Restructuring Transactions or otherwise, that it would have been entitled to take had it not entered into this Agreement. Any and all consents tendered by any Restructuring Support Party prior to such termination shall be deemed, for all purposes, to be null and void *ab initio*, shall not be considered or otherwise used in any manner by the Parties in connection with the Restructuring Transactions, the Plan, and this Agreement or otherwise and such consents may be changed or resubmitted; *provided* that if the approval of the Bankruptcy Court shall be required under applicable law in order for a Restructuring Support Party to change or resubmit such consents, then the Company shall not oppose any attempt by such Restructuring Support Party to terminate, change, or resubmit the consent under this Section 17. The termination of this Agreement shall not relieve or absolve any Restructuring Support Party of any liability for any breaches of this Agreement that preceded the termination of the Agreement. Notwithstanding anything to the contrary in this Agreement, the foregoing shall not be construed to prohibit the Company or any Restructuring Support Party from contesting whether any such termination is in accordance with its terms or to seek enforcement of any rights under this Agreement that arose or existed before the Termination Date. Except as expressly provided in this Agreement, nothing in this Agreement is intended to, or does, in any manner waive, limit, impair, or restrict any right or ability of any Restructuring Support Party to protect and preserve its rights (including rights under this Agreement), remedies, and interests, including its claims against any other Restructuring Support Party. Notwithstanding anything else in this Agreement to the contrary, pursuant to the Settlement, (a) the obligation of the Consenting Term Loan Lenders to fund the

GUC Liquidation Recovery Pool from the first available proceeds of Term Loan Priority Collateral in the event that each of the Chapter 11 Cases are converted to, or the occurrence of, a Liquidation Case shall survive the termination of this Agreement (unless such termination is a result of a material breach of this Agreement by the Committee), (b) subject to the conditions set forth in Section 19(c)(iii) hereof, the obligation of the Sponsor or the Put Purchasers to fund the Last Out Loans Turnover Amount from the cash proceeds, if any, received by the Put Purchasers on account of the DIP Last Out Loan Claims upon a conversion of each of the Chapter 11 Cases to, or the occurrence of, a Liquidation Case, shall survive the termination of this Agreement (unless such termination is a result of a material breach of this Agreement by the Committee), (c) the obligation of the Committee set forth in Section 9(b) hereof shall survive the termination of this Agreement, and (d) the releases set forth in Section 18 of this Agreement (including, for the avoidance of doubt, the releases set forth in Section 18(d) hereof) and the rights set forth in Section 19 shall survive termination of this Agreement in all instances.

18. **Release**.

(a) On the Agreement Effective Date, each Consenting Term Loan Lender, and subject in all respects to Section 19 hereof, on behalf of itself and its predecessors, successors and assigns, subsidiaries, affiliates, managed accounts or funds, current and former officers, directors, principals, shareholders, members, partners, employees, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, management companies, fund advisors, and other professionals, in each case in their capacity as such (collectively, the "Consenting Term Loan Releasing Parties"), expressly and generally releases, acquits, and discharges (i) the Sponsor and the Put Purchasers, (ii) the Sponsor and the Put Purchaser's respective predecessors, successors and assigns, subsidiaries, affiliates (in each case of the foregoing, except the Company), managed accounts or funds or investment vehicles, and each of such entities' respective current and former officers, directors, principals, shareholders, members, partners, employees, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, management companies, fund advisors, and other professionals of the Sponsor and the Put Purchasers, and (iii) the current and former directors of the Company and its subsidiaries (including any Sponsor appointed directors and the Company's disinterested director), in each case in the foregoing (i) through (iii), in their capacity as such (collectively, the "Sponsor Released Parties"), from any and all claims, obligations, rights, suits, damages, causes of action, remedies, and liabilities whatsoever, including any derivative claims asserted or assertable on behalf of the Company, any claims asserted or assertable on behalf of any holder of any claim against or interest in the Company and any claims asserted or assertable on behalf of any other entity, whether known or unknown, foreseen or unforeseen, matured or unmatured, in law, equity, contract, tort, or otherwise, by statute or otherwise, that such Consenting Term Loan Releasing Parties (whether individually or collectively) ever

had, now has, or may have, based on or relating to, or in any manner arising from, in whole or in part, the Company (including the purchase, sale, rescission, or any other transaction relating to any security of or debt in the Company, or any other transaction) or the negotiation, formulation, or preparation of the Restructuring Transactions, in each case, (i) arising on or before the Agreement Effective Date and (ii) for any and all claims arising between the Agreement Effective Date and the effective date of the Plan, such release shall be effective as of the effective date of the Plan.

(b) On the Agreement Effective Date, the Sponsor and the Put Purchasers, subject in all respects to Section 19 hereof, on behalf of themselves and their predecessors, successors and assigns, subsidiaries, affiliates (in each case of the foregoing, except the Company), managed accounts or funds or investment vehicles, and each of such entities' respective current and former officers, directors, principals, shareholders, members, partners, employees, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, management companies, fund advisors, and other professionals of the Sponsor and the Put Purchasers, in each case in their capacity as such (collectively, the "Sponsor Releasing Parties"), expressly and generally releases, acquits, and discharges (i) the other applicable Sponsor Released Parties, (ii) each Consenting Term Loan Lender and the Term Loan Agent, and (iii) each Consenting Term Loan Lender's and Term Loan Agent's respective predecessors, successors and assigns, subsidiaries, affiliates, managed accounts or funds, and each of such entities' respective current and former officers, directors, principals, shareholders, members, partners, employees, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, management companies, fund advisors, and other professionals of the Term Loan Agent and each Consenting Term Loan Lender, in each case in the foregoing (i) through (iii), in their capacity as such (collectively, the "Consenting Term Loan Released Parties"), from any and all claims, obligations, rights, suits, damages, causes of action, remedies, and liabilities whatsoever, including any derivative claims asserted or assertable on behalf of the Company, any claims asserted or assertable on behalf of any holder of any claim against or interest in the Company and any claims asserted or assertable on behalf of any other entity, whether known or unknown, foreseen or unforeseen, matured or unmatured, in law, equity, contract, tort, or otherwise, by statute or otherwise, that such Sponsor Releasing Parties (whether individually or collectively) ever had, now has, or may have, based on or relating to, or in any manner arising from, in whole or in part, the Company (including the purchase, sale, rescission, or any other transaction relating to any security of or debt in the Company) or the negotiation, formulation, or preparation of the Restructuring Transactions, in each case, (i) arising on or before the Agreement Effective Date and (ii) for any and all claims arising between

the Agreement Effective Date and the effective date of the Plan, such release shall be effective as of the effective date of the Plan.

(c) On the Agreement Effective Date, subject in all respects to Section 19 hereof, the Company, on behalf of itself and its predecessors, successors and assigns (including, for the avoidance of doubt, any chapter 7 trustee of the Debtors' estates), subsidiaries, affiliates, and each of such entities' respective current and former officers, directors, principals, shareholders, members, partners, employees, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, management companies, fund advisors, and other professionals, in each case in their capacity as such (collectively, the "Company Releasing Parties"), and the Committee and its agents, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, in each case in their capacity as such (collectively, the "Committee Releasing Parties," and, together with the Sponsor Releasing Parties, the Consenting Term Loan Releasing Parties, and the Company Releasing Parties, the "Releasing Parties"), expressly and generally release, acquit, and discharge all claims, obligations, rights, suits, damages, causes of action, remedies, and liabilities whatsoever, including any derivative claims asserted or assertable on behalf of the Company, any claims asserted or assertable on behalf of any holder of any claim against or interest in the Company and any claims asserted or assertable on behalf of any other entity, whether known or unknown, foreseen or unforeseen, matured or unmatured, in law, equity, contract, tort, or otherwise, by statute or otherwise, that such Company Releasing Parties and Committee Releasing Parties (whether individually or collectively) ever had, now has, or may have, based on or relating to, or in any manner arising from, in whole or in part, the Company (including the purchase, sale, rescission, or any other transaction relating to any security of or debt in the Company) or the negotiation, formulation, or preparation of the Restructuring Transactions, in each case, against the Sponsor, any Sponsor Released Party, the Term Loan Agent, any Consenting Term Loan Lender, and any Consenting Term Loan Released Party (i) arising on or before the Agreement Effective Date and (ii) for any and all claims arising between the Agreement Effective Date and the effective date of the Plan, such release shall be effective as of the effective date of the Plan; *provided* that in the event that the effective date of the Plan does not occur, the releases in this Section 18(c) shall be subject to revocation by the Company Releasing Parties and the Committee Releasing Parties (i) with respect to the Sponsor, the Put Purchasers, and any Sponsor Released Party, solely if the Sponsor and the Put Purchasers breach their obligation to fund the Last Out Loans Turnover Amount from the cash proceeds, if any, received by the Put Purchasers on account of the DIP Last Out Loan Claims, and (ii) with respect to the Term Loan Agent, any Consenting Term Loan Lender, and any Consenting Term Loan Released Party, if the Consenting Term Loan

Lenders breach their obligation to consent to the Company's disbursement of the GUC Liquidation Recovery Pool.

(d) On the Agreement Effective Date, each Releasing Party expressly and generally releases, acquits, and discharges any derivative claims asserted or assertable on behalf of the Company and any claims asserted or assertable on behalf of any holder of any claim against or interest in the Company, whether known or unknown, foreseen or unforeseen, matured or unmatured, in law, equity, contract, tort, or otherwise, by statute or otherwise, that the Releasing Parties (whether individually or collectively) ever had, now has, or may have against each of the other Releasing Parties, based on or relating to, or in any manner arising from, in whole or in part, the Company (including the purchase, sale, rescission, or any other transaction relating to any security of or debt in the Company) or the negotiation, formulation, or preparation of this Agreement.

(e) Subject to Section 19 hereof, each of the Releasing Parties knowingly grants this Release notwithstanding that each Releasing Party may hereafter discover facts in addition to, or different from, those which either such Releasing Party now knows or believes to be true, and without regard to the subsequent discovery or existence of such different or additional facts, and each Releasing Party expressly waives any and all rights that such Releasing Party may have under any statute or common law principle which would limit the effect of the Release to those claims actually known or suspected to exist as of before the Agreement Effective Date or effective date of the Plan, as applicable.

(f) Subject to Section 19 hereof, in connection with their agreement to the foregoing Release, the Releasing Parties knowingly and voluntarily waive and relinquish any and all provisions, rights, and benefits conferred by any law of the United States or any state or territory of the United States, or principle of common law, which governs or limits a person's release of unknown claims, comparable or equivalent to California Civil Code § 1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

(g) Each of the Releasing Parties hereby represents and warrants that it has access to adequate information regarding the terms of this Agreement, the scope and effect of the Release, and all other matters encompassed by this Agreement to make an informed and knowledgeable decision with regard to entering into this Agreement. Each of the Releasing Parties further

represents and warrants that it has not relied upon any other Party in deciding to enter into this Agreement and has instead made its own independent analysis and decision to enter into this Agreement.

19. **Revocation of Release**.

(a) Subject to Section 19(c) and Section 19(d) hereof, a Release provided in Section 18 hereof shall be deemed revoked if any Party receives a notice from any other Party (each, a "Release Revocation Notice") of the occurrence of a Release Revocation Event (as defined herein) and the recipient(s) of the Release Revocation Notice fails to cure such Release Revocation Event within five business days of receipt of such Release Revocation Notice (the "Revocation Cure Period") or such Release Revocation Notice is not otherwise rescinded; *provided* that in the event the recipient(s) of a Release Revocation Notice disputes either the occurrence of a Release Revocation Event or the failure of the recipient(s) to cure the Release Revocation Event within the Revocation Cure Period, such recipient(s) shall have five business days from the expiration of the Revocation Cure Period to seek a determination by the Bankruptcy Court or such other court of competent jurisdiction having jurisdiction over such claim in accordance with this Agreement as to whether a Release Revocation Event occurred and was not cured within the Revocation Cure Period.

(b) Release Revocation Event. For the purposes of this Agreement, a "Release Revocation Event" means a breach by any Party (other than the Releasing Party seeking to revoke the Release) of any material commitment by such Party or of the Releases provided in Section 18 hereof. The foregoing shall also be subject to Section 19(d) hereof.

(c) Effect of Revocation of Release.

(i) Revocation of a Release as a result of a Release Revocation Event as contemplated in subsections (ii) and (iii) of this Section 19(c) shall result in a full and complete restoration of any and all claims, liabilities, and causes of action subject to such Release, and such Release shall be void *ab initio*, in each case, to the extent contemplated in subsections (ii) and (iii) of this Section 19(c).

(ii) In the case of a Release Revocation Event: (A) if the breaching Party is a Sponsor or a Put Purchaser, the Releases in Section 18 hereof shall be revoked with respect to all of the Releases granted to the Sponsor Released Parties (and such Sponsor Released Parties shall no longer have the benefit of such Release), (B) if the breaching Party is a Consenting Term Loan Lender, the Releases in Section 18 hereof shall only be revoked with respect to the Releases granted to such breaching Consenting Term Loan Lender

and its respective Consenting Term Loan Released Parties (and such Consenting Term Loan Released Parties shall no longer have the benefit of such Release), (C) if the breaching Party is a Company Releasing Party, the Releases in Section 18 hereof shall be revoked with respect to all of the Releases granted to the Company Releasing Parties (and such Company Releasing Parties shall no longer have the benefit of such Release), and (D) if the breaching Party is a Committee Releasing Party, the Releases in Section 18 hereof shall be revoked with respect to all of the Releases granted to the Committee Releasing Parties (and such Committee Releasing Parties shall no longer have the benefit of such Release). Other than as set forth in this subsection (ii) of Section 19(c) hereof, the revocation of any Release under Section 19(b) hereof shall not operate as a revocation of, nor otherwise impair or affect, any other Release.

(iii) In the case of a Release Revocation Event: (A) due to a Party bringing an action or claim against the Sponsor, a Put Purchaser, or any Sponsor Released Party, the Releases granted by the Sponsor Releasing Parties in Section 18 hereof shall be revoked in their entireties, and the Put Purchasers shall have no obligation to (1) "roll" their participation in the DIP Last Out Loans into the Exit ABL Facility or (2) cause to be distributed the Last Out Loans Turnover Amount, and (B) due to a Party bringing an action or claim against the Term Loan Lenders or any Consenting Term Loan Released Party, the Releases granted by the Consenting Term Loan Releasing Parties in Section 18 hereof shall be revoked in their entireties, and the Term Loan Lenders shall have no obligation to perform under this Agreement.

(d) Events Not Subject to Revocation.

(i) Notwithstanding anything else to the contrary herein, no Release may be revoked by any Releasing Party (including the Company Releasing Parties or any successor thereto, including a chapter 7 trustee, the Consenting Term Loan Releasing Parties, and the Committee Releasing Parties pursuant to Section 18(c) hereof):

a. following the effective date of the Plan;

b. irrespective of whether any Chapter 11 plan has been confirmed, with respect to the Sponsor, the Put Purchasers, and any Sponsor Released Party, so long as the Sponsor, the Put Purchasers, and any Sponsor Released Party have not breached their obligations to fund the Last Out Loans Turnover Amount from the cash proceeds, if any, received by

the Put Purchasers on account of the DIP Last Out Loan Claims; or

c. irrespective of whether any Chapter 11 plan has been confirmed, with respect to the Term Loan Agent, any Consenting Term Loan Lender, and any Consenting Term Loan Released Party, so long as the Consenting Term Loan Lenders have not breached their obligations to provide the GUC Liquidation Recovery Pool.

20. **Fiduciary Duties**. Notwithstanding anything to the contrary herein, nothing in this Agreement shall require (i) the Company, or any directors, officers, or employees of the Company (in such person's capacity as a director, officer, or employee) or (ii) the Committee, or any of its members, each in its capacity as such, to take any action, or to refrain from taking any action, to the extent that the Company, its board of directors or officers, the Committee, or any of its members determines in good faith, upon advice of counsel, that taking such action or refraining from taking such action may be inconsistent with its or their fiduciary obligations under applicable law, and any such exercise of such fiduciary duties shall not be deemed to constitute a breach of the terms of this Agreement; *provided* that the effect of any such action or inaction (and to the extent the Company or the Committee does not terminate this Agreement in accordance with this Section 20 and Section 14(d) or Section 13(c) hereof, as applicable), shall provide the Consenting Term Loan Lenders and the Sponsor the ability to take actions in accordance with Section 11 or Section 12 hereof, respectively, to terminate this Agreement. The Company or the Committee, as applicable, in its or their sole discretion, may (but shall not be required to) terminate this Agreement in accordance with Section 14(d) or Section 13(c) hereof, as applicable, and specific performance shall not be available as a remedy if this Agreement is terminated in accordance with this Section 20 and Section 14(d) or Section 13(c) hereof, as applicable, *provided* that a non-breaching party may seek specific performance for any violation of Section 18 and Section 19 of this Agreement. All Consenting Term Loan Lenders reserve all rights they may have, including the right (if any) to challenge any exercise by the Company or the Committee of its or their ability to terminate this Agreement under Section 14(d) or Section 13(c) hereof, as applicable, pursuant to this Section 20.

21. **Transfers of Claims and Interests**. During the Plan Support Period, subject to the terms and conditions hereof, each Restructuring Support Party shall not make a Transfer, unless such Transfer is to another Restructuring Support Party or any other entity that first agrees in writing to be bound by the terms of this Agreement by executing and delivering to the Company the Transferee Joinder. Upon compliance with the foregoing, the Transferor shall be deemed to relinquish its rights (and be released from its obligations, except for any claim for breach of this Agreement that occurs prior to such Transfer) under this Agreement to the extent of such transferred rights and obligations. Any Transfer made in violation of this Section 21 shall be deemed null and void *ab initio* and of no force or effect, regardless of any prior notice provided to the Company and/or any Restructuring Support Party, and shall not create any obligation or liability of the Company or any other Restructuring Support Party to the purported transferee.

22. **Further Acquisition of Claims or Interests**. Except as set forth in Section 21 hereof, nothing in this Agreement shall be construed as precluding any Consenting Term Loan Lender or any of its affiliates from acquiring additional DIP Term Loan Claims or Term Loan Claims or interests in the instruments underlying the DIP Term Loan Claims or Term Loan Claims; *provided* that any such additional DIP Term Loan Claims or Term Loan Claims acquired by any Consenting Term Loan Lender or by any of its affiliates shall automatically be subject to the terms and conditions of this Agreement. Upon any such further acquisition by a Consenting Term Loan Lender or any of its affiliates, such Consenting Term Loan Lender shall promptly notify counsel to the Company.

23. **Consents and Acknowledgments**.

(a) Each Party irrevocably acknowledges and agrees that this Agreement is not and shall not be deemed to be a solicitation for acceptances of the Plan for purposes of sections 1125, 1126, and 1127 of the Bankruptcy Code or otherwise. Any such offer or solicitation will be made only in compliance with all applicable securities laws and provisions of the Bankruptcy Code.

(b) By executing this Agreement, each Restructuring Support Party (including, for the avoidance of doubt, any entity that may execute this Agreement or a Transferee Joinder after the Agreement Effective Date) consents to the Company's use of its cash collateral and incurrence of debtor-in-possession financing expressly as authorized by, and subject to the terms of, the DIP Orders.

(c) By executing this Agreement, each Restructuring Support Party (including, for the avoidance of doubt, any entity that may execute this Agreement or a Transferee Joinder after the Agreement Effective Date) forbears from exercising remedies with respect to any Default or Event of Default (as defined under the Term Loan Credit Agreement) that is caused by the Company's entry into this Agreement or the other documents related to this Agreement and the transactions contemplated in this Agreement, and agrees to direct the Term Loan Agent to not exercise remedies to the extent that any other Term Loan Lender directs it to exercise such remedies.

24. **Representations and Warranties**.

(a) Each Restructuring Support Party hereby represents and warrants on a several and not joint basis for itself and not any other person or entity that the following statements are true, correct, and complete, to the best of its actual knowledge, as of the date hereof:

(i) it has the requisite organizational power and authority to enter into this Agreement and to carry out the transactions contemplated by, and perform its respective obligations under, this Agreement;

(ii) the execution and delivery of this Agreement and the performance of its obligations hereunder have been duly authorized by all necessary corporate or other organizational action on its part;

(iii) to the extent it is a Consenting Term Loan Lender or the Sponsor, the execution and delivery by it of this Agreement does not violate its certificates of incorporation, or bylaws, or other organizational documents;

(iv) the execution, delivery, and performance by it of this Agreement does not require any registration or filing with, the consent or approval of, notice to, or any other action with any federal, state, or other governmental authority or regulatory body, except (i) any of the foregoing as may be necessary and/or required for disclosure by the Securities and Exchange Commission and applicable state securities or "blue sky" laws, (ii) any of the foregoing as may be necessary and/or required in connection with the Chapter 11 Cases, including the approval of the Disclosure Statement and confirmation of the Plan, (iii) filings of amended certificates of incorporation or articles of formation or other organizational documents with applicable state authorities, and other registrations, filings, consents, approvals, notices, or other actions that are reasonably necessary to maintain permits, licenses, qualifications, and governmental approvals to carry on the business of the Company, and (iv) any other registrations, filings, consents, approvals, notices, or other actions, the failure of which to make, obtain or take, as applicable, would not be reasonably likely, individually or in the aggregate, to materially delay or materially impair the ability of any Party hereto to consummate the transactions contemplated hereby;

(v) this Agreement is its legally valid and binding obligation, enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or other similar laws relating to or limiting creditors' rights generally, or by equitable principles relating to enforceability;

(vi) it is an "accredited investor" within the meaning of Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended (provided that the Committee is not required to satisfy this requirement), with sufficient knowledge and experience to evaluate properly the terms and conditions of this Agreement, the Disclosure Statement, the Plan, and any other Definitive Documentation, and it has made its own analysis and decision to enter into this Agreement; and

(vii) it (A) either (1) is the sole owner of the claims and interests identified below its name on its signature page hereof and in the amounts set forth therein, or (2) has all necessary investment or voting discretion with respect to the principal amount of claims and interests identified below its name on its signature page hereof, and has the power and authority to bind the owner(s) of such claims and interests to the terms of this Agreement; (B) is entitled (for its own accounts or for the accounts of such other owners) to all of the rights and economic benefits of such claims and interests; and (C) to the knowledge of the individuals working on the Restructuring Transactions, does not directly or indirectly own any Term Loan Claims, other than as identified below its name on its signature page hereof; *provided* that the foregoing shall not apply to the Committee.

(b) Each Company entity hereby represents and warrants on a joint and several basis (and not any other person or entity other than each Company entity) that the following statements are true, correct, and complete, to the best of its actual knowledge, as of the date hereof:

(i) it has the requisite corporate or other organizational power and authority to enter into this Agreement and to carry out the transactions contemplated by, and perform its respective obligations under, this Agreement;

(ii) the execution and delivery of this Agreement and the performance of its obligations hereunder have been duly authorized by all necessary corporate or other organizational action on its part, including approval of each of the independent directors of each of the corporate entities that comprise the Company;

(iii) the execution and delivery by it of this Agreement does not (A) violate its certificates of incorporation, or bylaws, or other organizational documents, or those of any of its affiliates in any material respect, or (B) result in a breach of, or constitute (with due notice or lapse of time or both) a default (other than, for the avoidance of doubt, a breach or default that would be triggered as a result of the Company undertaking to implement the Restructuring Transactions through the Chapter 11 Cases) under any material contractual obligation to which it or any of its affiliates is a party;

(iv) the execution and delivery by it of this Agreement does not require any registration or filing with, the consent or approval of, notice to, or any other action with any federal, state, or other governmental authority or regulatory body, other than, for the avoidance of doubt, the actions with governmental authorities or regulatory

bodies required in connection with implementation of the Restructuring Transactions;

(v) subject to the provisions of sections 1125 and 1126 of the Bankruptcy Code, this Agreement is its legally valid and binding obligation, enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or other similar laws relating to or limiting creditors' rights generally, or by equitable principles relating to enforceability; and

(vi) it has sufficient knowledge and experience to evaluate properly the terms and conditions of the Plan and this Agreement, and has been afforded the opportunity to consult with its legal and financial advisors with respect to its decision to execute this Agreement, and it has made its own analysis and decision to enter into this Agreement and otherwise investigated this matter to its full satisfaction.

25. **Relationship Among Parties**. Notwithstanding anything herein to the contrary, (i) the duties and obligations of the Parties under this Agreement shall be several, not joint; (ii) no Party shall have any responsibility by virtue of this Agreement for any trading by any other entity; (iii) no prior history, pattern, or practice of sharing confidences among or between the Parties shall in any way affect or negate this Agreement; (iv) the Parties hereto acknowledge that this Agreement does not constitute an agreement, arrangement, or understanding with respect to acting together for the purpose of acquiring, holding, voting, or disposing of any equity securities of the Company, the Parties do not constitute a "group" within the meaning of Rule 13d-5 under the Securities Exchange Act of 1934, as amended, and no action taken by any Party pursuant to this Agreement shall be deemed to create a presumption that the Parties are, in any way, acting as a "group"; and (v) none of the Restructuring Support Parties shall have any fiduciary duty, any duty of trust or confidence in any form, or other duties or responsibilities in any kind or form to each other, the Company or any of the Company's other lenders or stakeholders, including as a result of this Agreement or the transactions contemplated hereby; *provided* that the preceding sentence shall not apply to any of the Committee's fiduciary duties under applicable law.

26. **Remedies**. It is understood and agreed by the Parties that breach of this Agreement would give rise to irreparable damage for which monetary damages may not be an adequate remedy and each non-breaching Party shall be entitled to seek specific performance and injunctive or other equitable relief as a remedy of any such breach of this Agreement, including an order of the Bankruptcy Court or other court of competent jurisdiction requiring any Party to comply promptly with any of its obligations hereunder, *provided* specific performance shall not be an available remedy against the Company if the Company or the Committee validly terminates this Agreement in accordance with, and subject to, Section 14(d) or Section 13(c) hereof, as applicable. Notwithstanding the foregoing, any non-breaching party may seek specific performance and injunctive relief for any violations of Section 18 and Section 19 of this Agreement. The Parties agree that such relief will be their only remedy against the applicable

breaching Party or Parties with respect to any such breach, and that in no event will any Party be liable for monetary damages under or in connection with this Agreement.

27. **Governing Law & Jurisdiction**. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to such state's choice of law provisions which would require the application of the law of any other jurisdiction, except where preempted by the Bankruptcy Code. By its execution and delivery of this Agreement, each Party irrevocably and unconditionally agrees for itself that any legal action, suit, or proceeding against it with respect to any matter arising under or arising out of or in connection with this Agreement or for recognition or enforcement of any judgment rendered in any such action, suit, or proceeding, may be brought in the United States District Court for the Southern District of New York, and by executing and delivering this Agreement, each of the Parties irrevocably accepts and submits itself to the exclusive jurisdiction of such court, generally and unconditionally, with respect to any such action, suit or proceeding. Notwithstanding the foregoing consent to New York jurisdiction, if the Chapter 11 Cases are commenced, each Party agrees that the Bankruptcy Court shall have exclusive jurisdiction of all matters arising out of or in connection with this Agreement. By executing and delivering this Agreement, and upon commencement of the Chapter 11 Cases, each of the Parties irrevocably and unconditionally submits to the personal jurisdiction of the Bankruptcy Court solely for purposes of any action, suit, proceeding, or other contested matter arising out of or relating to this Agreement, or for recognition or enforcement of any judgment rendered or order entered in any such action, suit, proceeding, or other contested matter.

28. **Waiver of Right to Trial by Jury**. Each of the Parties waives any right to have a jury participate in resolving any dispute, whether sounding in contract, tort or otherwise, between any of the Parties arising out of, connected with, relating to, or incidental to the relationship established between any of them in connection with this Agreement. Instead, any disputes resolved in court shall be resolved in a bench trial without a jury.

29. **Successors and Assigns**. Except as otherwise provided in this Agreement, this Agreement is intended to bind and inure to the benefit of each of the Parties and each of their respective permitted successors, assigns, heirs, executors, administrators, and representatives, including any chapter 7 trustee.

30. **No Third-Party Beneficiaries**. Unless expressly stated herein, this Agreement shall be solely for the benefit of the Parties and no other person or entity shall be a third-party beneficiary of this Agreement.

31. **Notices**. All notices (including any notice of termination or breach) and other communications from any Party hereunder shall be in writing and shall be deemed to have been duly given if personally delivered by courier service, messenger, email, or facsimile to the other Parties at the applicable addresses below, or such other addresses as may be furnished hereafter by notice in writing. Any notice of termination or breach shall be delivered to all other Parties.

(a) If to the Company:

Hollander Sleep Products, LLC
901 Yamato Road
Suite 250
Boca Raton, Florida 33431
Attn: Marc. L. Pfefferle
Email: mpfefferle@carlmarks.com

With a copy to:

Kirkland & Ellis LLP
300 North LaSalle
Chicago, Illinois 60654
Attn: Joseph M. Graham
Laura Krucks
Email: joe.graham@kirkland.com
laura.krucks@kirkland.com

(b) If to the Sponsor:

Sentinel Capital Partners
330 Madison Avenue, 27th Floor
New York, New York 10017
Attn: Vincent E. Taurassi
Email: Taurassi@sentinelpartners.com

With a copy to:

Kramer Levin Naftalis & Frankel LLP
1177 Avenue of the Americas
New York, New York 10036
Attn: Adam Rogoff
Email: arogoff@kramerlevin.com

(c) If to the Committee:

Pachulski Stang Ziehl & Jones, LLP
780 Third Avenue 34th Floor
New York, New York 10027
Attn: Robert J. Feinstein
Bradford J. Sandler
Email: rfeinstein@pszjlaw.com
bsandler@pszjlaw.com

(d) If to the Consenting Term Loan Lenders:

To each Consenting Term Loan Lender at the addresses or e-mail addresses set forth below the Consenting Term Loan Lender's signature page to this Agreement (or to the signature page to a Transferee Joinder as the case may be).

With a copy to:

King & Spalding LLP
1180 Peachtree Street, NE Suite 1600
Atlanta, Georgia 30309
Attn: W. Austin Jowers
Email: ajowers@kslaw.com

and

King & Spalding LLP
1185 Avenue of the Americas
34th Floor
New York, New York 10036
Attn: Christopher Boies
Stephen M. Blank
Email: sboies@kslaw.com
sblank@kslaw.com

32. **Entire Agreement**. This Agreement (including each of the exhibits hereto and any schedules to such exhibits) constitutes the entire agreement of the Parties with respect to the subject matter of this Agreement, and supersedes all prior negotiations, agreements, and understandings, whether written or oral, among the Parties with respect to the subject matter of this Agreement.

33. **Amendments**. Except as otherwise provided herein, this Agreement may not be modified, amended, or supplemented without the prior written consent of the Company, the Required Consenting Term Loan Lenders, and the Sponsor (but only with respect to this Agreement, not the DIP Term Loan Commitment Letter or the Exit Term Loan Commitment Letter unless such amendments, modifications, or supplements have an adverse effect on the Sponsor or the treatment of the Last Out Loans or DIP Last Out Loans); *provided* that any modification, amendment, or change to (a) the definition of Required Consenting Term Loan Lenders or the threshold of Consenting Term Loan Lenders set forth in Section 11 hereof shall also require the written consent of each Consenting Term Loan Lender, (b) this Section 33 shall require the written consent of the Company, each Consenting Term Loan Lender, the Committee, and the Sponsor, (c) this Agreement that treats or affects any Consenting Term Loan Lender in a manner that is disproportionally adverse, on an economic or non-economic basis, to the treatment of other holders of Term Loan Claims, shall also require the written consent of such Consenting Term Loan Lender, or (d) this Agreement that adversely affects, in any material

respect, the interests of holders of General Unsecured Claims, shall also require the written consent of the Committee.

34. **Reservation of Rights**. Subject to and except as expressly provided in this Agreement or in any amendment thereof agreed upon by the Parties pursuant to the terms hereof, nothing herein is intended to, or does, in any manner waive, limit, impair or restrict the ability of each of the Parties to protect and preserve its rights, remedies and interests, including its claims against any of the other Parties (or their respective affiliates or subsidiaries) or its full participation in the Chapter 11 Cases. Without limiting the foregoing sentence in any way, if the Restructuring Transactions are not consummated, or if this Agreement is terminated for any reason, nothing in this Agreement shall be construed as a waiver by any Party of any or all of such Party's rights, remedies, claims and defenses, and the Parties expressly reserve any and all of their respective rights, remedies, claims and defenses. This Agreement shall in no event be construed as, or be deemed to be, evidence of an admission or concession on the part of any Party of any claim or fault or liability or damages whatsoever. Any waiver shall not be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent default, misrepresentation, or breach of warranty or covenant. Each of the Parties denies any and all wrongdoing or liability of any kind and does not concede any infirmity in the claims or defenses which it has asserted or could assert. This Agreement is part of a proposed settlement of matters that could otherwise be the subject of litigation among the Parties hereto. Pursuant to Federal Rule of Evidence 408 and any applicable state rules of evidence, all negotiations relating to this Agreement shall not be admissible into evidence in any proceeding other than a proceeding to enforce the terms of this Agreement.

35. **Counterparts**. This Agreement may be executed in one or more counterparts, each of which, when so executed, shall constitute the same instrument, and the counterparts may be delivered by facsimile transmission or by electronic mail in portable document format (.pdf).

36. **Disclosures**. The Company shall (a) submit drafts to the Term Loan Agent Counsel, Committee Counsel, and Sponsor Counsel of any press releases and public documents that constitute the disclosure of the existence or terms of this Agreement or any amendment to the terms of this Agreement at least two business days or as soon as reasonably practicable prior to making any such disclosure and (b) consult with the Term Loan Agent Counsel, Committee Counsel, and Sponsor Counsel in good faith regarding the form and substance of such disclosure(s), including consideration of inclusion of any comments reasonably requested by the Term Loan Agent Counsel, Committee Counsel, or Sponsor Counsel. Except as required by law or otherwise permitted under the terms of any other agreement between the Company, on the one hand, and the Term Loan Lenders, on the other hand (including the DIP Term Loan Agreement and related documents), this Agreement, as well as its terms, its existence, and the existence of the negotiation of its terms are expressly subject to any existing confidentiality agreements executed by and among any of the Parties as of the date hereof (including any such provisions in the Term Loan Credit Agreement); *provided* that (i) such information may be disclosed to Term Loan Lenders not party hereto, subject to the confidentiality provisions in the Term Loan Credit Agreement, and (ii) after the Petition Date, the Parties may disclose the existence of, or the terms of, this Agreement or any other material term of the transaction contemplated herein without the express written consent of the other Parties; *provided, further*, that no Party or its advisors shall

disclose to any person or entity (including, for the avoidance of doubt, any other Party), other than advisors to the Company, the principal amount or percentage of any claims, loans, or other interests held by the Consenting Term Loan Lenders or the Sponsor, in each case, without the prior written consent of such Consenting Term Loan Lender or the Sponsor, as applicable.

37. **Headings**. The section headings of this Agreement are for convenience of reference only and shall not, for any purpose, be deemed a part of this Agreement.

38. **Interpretation**. This Agreement is the product of negotiations among the Parties, and the enforcement or interpretation hereof, is to be interpreted in a neutral manner, and any presumption with regard to interpretation for or against any Party by reason of that Party having drafted or caused to be drafted this Agreement or any portion hereof, shall not be effective in regard to the interpretation hereof.

39. **Representation by Counsel**. Each Party acknowledges that it has had the opportunity to be represented by counsel in connection with this Agreement and the transactions contemplated hereunder. Accordingly, any rule of law or any legal decision that would provide any Party with a defense to the enforcement of the terms of this Agreement against such Party based upon lack of legal counsel shall have no application and is expressly waived.

40. **Consideration**. The Parties hereby acknowledge that no consideration, other than that specifically described herein, shall be due or paid to any Party for its agreement to vote to accept the Plan in accordance with the terms and conditions of this Agreement.

41. **Computation of Time**. Rule 9006(a) of the Federal Rules of Bankruptcy Procedure applies in computing any period of time prescribed or allowed herein only to the extent such period of time governs a Milestone pertaining to the entry of an order by the Bankruptcy Court in the Chapter 11 Cases.

[*Signatures and exhibits follow*.]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date and year first written above.

DREAM II HOLDINGS, LLC,

Name: Marc Pfefferle
Title: Chief Executive Officer

HOLLANDER SLEEP PRODUCTS CANADA LIMITED (CANADA)

Name: Marc Pfefferle
Title: Chief Executive Officer

DREAM II HOLDINGS, LLC,
Sole Member of Hollander Home Fashions Holdings, LLC

Name: Marc Pfefferle
Title: Chief Executive Officer

HOLLANDER HOME FASHIONS HOLDINGS, LLC,
Sole Member of Hollander Sleep Products, LLC

Name: Marc Pfefferle
Title: Chief Executive Officer

HOLLANDER SLEEP PRODUCTS, LLC,
Sole Member of Hollander Sleep Products Kentucky, LLC

Name: Marc Pfefferle
Title: Chief Executive Officer

HOLLANDER SLEEP PRODUCTS, LLC,
Sole Member of Pacific Coast Feather, LLC

Name: Marc Pfefferle
Title: Chief Executive Officer

PACIFIC COAST FEATHER, LLC,
Sole Member of Pacific Coast Feather Cushion, LLC

Name: Marc Pfefferle
Title: Chief Executive Officer

BARINGS GLOBAL PRIVATE LOANS 1 S.À R.L
acting by its attorney [redacted]

By: _____
Name: [redacted]
Title:

Principal Amount of Term Loan Claims: [redacted]

Notice Address:
300 S. Tryon
Suite 2500
Charlotte, NC 28202

Fax: 413-226-3953
Attention: [redacted]
Email: [redacted]

BARINGS GLOBAL PRIVATE LOANS 2 S.À R.L
acting by its attorney [redacted]

By: _____
Name: [redacted]
Title:

Principal Amount of Term Loan Claims: [redacted]

Notice Address:
300 S. Tryon
Suite 2500
Charlotte, NC 28202

Fax: 413-226-3953
Attention: [redacted]
Email: [redacted]

BCF SENIOR FUNDING I LLC
By: Barings Finance LLC, its Designated Manager

By: [redacted]
Name: [redacted]
Title:

Principal Amount of Term Loan Claims: [redacted]

Notice Address:
300 S. Tryon
Suite 2500
Charlotte, NC 28202

Fax: 413-226-3953
Attention: [redacted]
Email: [redacted]

C.M. LIFE INSURANCE COMPANY
By: Barings LLC, as Investment Adviser

By: [redacted]
Name: [redacted]
Title:

Principal Amount of Term Loan Claims: [redacted]

Notice Address:
300 S. Tryon
Suite 2500
Charlotte, NC 28202

Fax: 413-226-3953
Attention: [redacted]
Email: [redacted]

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
By: Barings LLC, as Investment Adviser

By: [redacted]
Name:
Title:

Principal Amount of Term Loan Claims: [redacted]

Notice Address:
300 S. Tryon
Suite 2500
Charlotte, NC 28202

Fax: 413-226-3953
Attention: [redacted]
Email: [redacted]

NAPLF (CAYMAN) SENIOR FUNDING I LLC
By: Barings LLC, as Servicer

By: [redacted]
Name:
Title:

Principal Amount of Term Loan Claims: [redacted]

Notice Address:
300 S. Tryon
Suite 2500
Charlotte, NC 28202

Fax: 413-226-3953
Attention: [redacted]
Email: [redacted]

NAPLF (CAYMAN)-A SENIOR FUNDING I LLC
By: Barings LLC, as Servicer

By: [redacted]
Name:
Title:

Principal Amount of Term Loan Claims: [redacted]

Notice Address:
300 S. Tryon
Suite 2500
Charlotte, NC 28202

Fax: 413-226-3953
Attention: [redacted]
Email: [redacted]

NAPLF SENIOR FUNDING I LLC
By: Barings LLC, as Servicer [redacted]

By: [redacted]
Name:
Title:

Principal Amount of Term Loan Claims: [redacted]

Notice Address:
300 S. Tryon
Suite 2500
Charlotte, NC 28202

Fax: 413-226-3953
Attention: [redacted]
Email: [redacted]

ING CAPITAL LLC

By: [redacted]
Name:
Title:

By: [redacted]
Name:
Title:

Principal Amount of Term Loan Claims: [redacted]

Notice Address: 1133 Avenue of the Americas
New York, NY 10036

Fax: 646 424 6390
Attention: [redacted]
Email: [redacted]

PENNANTPARK SBIC II LP

By: [redacted]

Name:
Title:

Principal Amount of Term Loan Claims: [redacted]

Notice Address:
590 Madison Avenue, 15th Floor
New York, NY 10022

Fax: 212-905-1075
Attention: [redacted]
Email: [redacted]

PENNANTPARK FLOATING RATE FUNDING I, LLC

By: [redacted]

Name:
Title:

Principal Amount of Term Loan Claims: [redacted]

Notice Address:
590 Madison Avenue, 15th Floor
New York, NY 10022

Fax: 212-905-1075
Attention: [redacted]
Email: [redacted]

PENNANTPARK CREDIT OPPORTUNITIES FUND II, LP

By: [redacted]

Name:
Title:

Principal Amount of Term Loan Claims: [redacted]

Notice Address:
590 Madison Avenue, 15th Floor
New York, NY 10022

Fax: 212-905-1075
Attention: [redacted]
Email: [redacted]

FIRST EAGLE DARTMOUTH HOLDING LLC
By: First Eagle Private Credit, LLC, its Manager

By: [redacted]
Name:
Title:

Principal Amount of Term Loan Claims: [redacted]

Notice Address: U.S. Bank N.A.
1 Federal Street, 3rd Floor
Boston, MA 02110

Fax: 844-489-4494
Attention: First Eagle Dartmouth Holding LLC
Email: [redacted]

NEWSTAR COMMERCIAL LOAN FUNDING 2016-1 LLC
By: First Eagle Private Credit, LLC, its Designated Manager

By: [redacted]
Name:
Title:

Principal Amount of Term Loan Claims: [redacted]

Notice Address: U.S. Bank N.A.
1 Federal Street, 3rd Floor
Boston, MA 02110

Fax: 844-489-4488
Attention: NewStar Commercial Loan Funding 2016-1 LLC
Email: [redacted]

NEWSTAR COMMERCIAL LOAN FUNDING 2017-1 LLC
By: First Eagle Private Credit, LLC, its Designated Manager

By: [redacted]
Name:
Title:

Principal Amount of Term Loan Claims: [redacted]

Notice Address: U.S. Bank N.A.
1 Federal Street, 3rd Floor
Boston, MA 02110

Fax: 844-489-4446
Attention: NewStar Commercial Loan Funding 2017-1 LLC
Email: [redacted]

NEWSTAR ARLINGTON SENIOR LOAN PROGRAM LLC
By: First Eagle Private Credit, LLC, its Designated Manager

By: [redacted]
Name:
Title:

Principal Amount of Term Loan Claims: [redacted]

Notice Address: U.S. Bank N.A.
1 Federal Street, 3rd Floor
Boston, MA 02110

Fax: 844-328-7722
Attention: NewStar Arlington Senior Loan Program LLC
Email: [redacted]

FIRST EAGLE BERKELEY FUND CLO LLC
By: First Eagle Private Credit, LLC, its Designated Manager

By: [redacted]
Name:
Title:

Principal Amount of Term Loan Claims: [redacted]

Notice Address: U.S. Bank N.A.
1 Federal Street, 3rd Floor
Boston, MA 02110

Fax: 844-602-9186
Attention: First Eagle Berkeley Fund CLO LLC
Email: [redacted]

NEWSTAR CLARENDON FUND CLO LLC
By: First Eagle Private Credit, LLC, its Designated Manager

By: [redacted]
Name:
Title:

Principal Amount of Term Loan Claims: [redacted]

Notice Address: U.S. Bank N.A.
1 Federal Street, 3rd Floor
Boston, MA 02110

Fax: 844-328-7723
Attention: NewStar Clarendon Fund CLO LLC
Email: [redacted]

NEWSTAR EXETER FUND CLO LLC
By: First Eagle Commercial Loan Originator II LLC, its Designated Manager

By: [redacted]
Name:
Title:

Principal Amount of Term Loan Claims: [redacted]

Notice Address: Wells Fargo Bank, N.A.
9062 Old Annapolis Road
Columbia, MD 21045-1951

Fax: 844-879-2762
Attention: NewStar Exeter Fund CLO LLC
Email: [redacted]

NEWSTAR FAIRFIELD FUND CLO LTD.
By: First Eagle Commercial Loan Originator II LLC, its Designated Manager

By: [redacted]
Name:
Title:

Principal Amount of Term Loan Claims: [redacted]

Notice Address: Wells Fargo Bank, N.A.
9062 Old Annapolis Road
Columbia, MD 21045-1951

Fax: 844-879-2770
Attention: NewStar Fairfield Fund CLO Ltd.
Email: [redacted]

SENTINEL CAPITAL PARTNERS, LLC, on behalf of itself and each of its affiliated investment funds or investment vehicles managed or advised by it, and its affiliates that directly or indirectly hold interests in Dream II Holdings, LLC, together with certain of its direct and indirect subsidiaries, as a Sponsor

By: [redacted]
Name:
Title:

The Official Committee of Unsecured Creditors of Hollander Sleep Products, LLC and Its Co-Debtors and Debtors-in-Possession

By: /s/ Robert J. Feinstein
Its duly authorized representative
Name: Robert J. Feinstein
Pachulski Stang Ziehl & Jones LLP
Title: Partner

Exhibit A to the Amended and Restated Restructuring Support and Settlement Agreement

Plan

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
HOLLANDER SLEEP PRODUCTS, LLC, *et al.*,[1]	)	Case No. 19-11608 (MEW)
Debtors.	)	(Jointly Administered)

DEBTORS' FIRST AMENDED JOINT PLAN OF REORGANIZATION PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE

Joshua A. Sussberg, P.C.
Christopher T. Greco, P.C.
KIRKLAND & ELLIS LLP
KIRKLAND & ELLIS INTERNATIONAL LLP
601 Lexington Avenue
New York, New York 10022
Telephone: (212) 446-4800
Facsimile: (212) 446-4900

Joseph M. Graham (admitted *pro hac vice*)
KIRKLAND & ELLIS LLP
KIRKLAND & ELLIS INTERNATIONAL LLP
300 North LaSalle
Chicago, Illinois 60654
Telephone: (312) 862-2000
Facsimile: (312) 862-2200

Counsel to the Debtors and Debtors in Possession

Dated: July 21, 2019

Nothing contained herein shall constitute an offer, acceptance, or a legally binding obligation of the Debtors or any other party in interest and this Plan is subject to approval by the Bankruptcy Court and other customary conditions. This Plan is not an offer with respect to any securities. YOU SHOULD NOT RELY ON THE INFORMATION CONTAINED IN, OR THE TERMS OF, THIS PLAN FOR ANY PURPOSE PRIOR TO THE CONFIRMATION OF THIS PLAN BY THE BANKRUPTCY COURT.

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors' service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

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INTRODUCTION

Hollander Sleep Products, LLC and its Debtor affiliates in the above-captioned Chapter 11 Cases propose this joint chapter 11 plan pursuant to chapter 11 of the Bankruptcy Code. Capitalized terms used and not otherwise defined shall have the meanings ascribed to such terms in Article I.A. This Plan constitutes a separate chapter 11 plan for each Debtor and, unless otherwise set forth herein, the classifications and treatment of Claims and Interests apply to each individual Debtor.

Holders of Claims and Interests should refer to the Disclosure Statement for a discussion of the Debtors' history, businesses, assets, results of operations, and historical financial information, projections, and future operations, as well as a summary and description of this Plan and certain related matters. Each Debtor is a proponent of the Plan contained herein within the meaning of section 1129 of the Bankruptcy Code.

ARTICLE I.
DEFINED TERMS, RULES OF INTERPRETATION, COMPUTATION OF TIME AND GOVERNING LAW

A. Defined Terms

As used in this Plan, capitalized terms have the meanings ascribed to them below.

1. "***ABL Agent***" means Wells Fargo Bank, National Association, in its capacity as agent under the ABL Credit Agreement, solely in its capacity as such.

2. "***ABL Claims***" means any and all Claims relating to, arising out of, arising under, or arising in connection with the ABL Credit Facility.

3. "***ABL Credit Agreement***" means that certain Third Amended and Restated Credit Agreement, dated as of June 9, 2017, by and among Hollander Home Fashions, LLC, Hollander Sleep Products, LLC, Hollander Sleep Products Kentucky, LLC, Hollander Sleep Products Canada Limited, Pacific Coast Feather Company, and Pacific Coast Feather Cushion Co., as borrowers, Dream II, as parent, the lenders party thereto, and the ABL Agent, as modified and amended on August 31, 2017, October 19, 2018, and November 27, 2018, and as may be further amended, modified, restated, or supplemented from time to time.

4. "***ABL Credit Facility***" means, collectively, the senior secured revolving credit facility, swing loans, and letters of credit provided for by the ABL Credit Agreement.

5. "***ABL Lenders***" means the banks, financial institutions, and other lenders party to the ABL Credit Agreement from time to time, each letter of credit issuer thereunder, and each bank product provider thereunder, each solely in their capacity as such.

6. "***ABL Priority Collateral***" has the meaning set forth in the DIP Intercreditor Agreement.

7. "***Administration Charge***" means the charge granted by the Canadian Court in the Recognition Proceedings on the Canadian Assets to secure the professional fees and disbursements of the Information Officer and its counsel, in each case incurred in respect of the Recognition Proceedings.

8. "***Administrative Claim***" means a Claim for the costs and expenses of administration of the Estates under sections 503(b), 507(a)(2), 507(b), or 1114(e)(2) of the Bankruptcy Code, including: (a) the actual and necessary costs and expenses incurred on or after the Petition Date of preserving the Estates and operating the businesses of the Debtors; (b) Allowed Professional Fee Claims in the Chapter 11 Cases; and (c) amounts owing pursuant to the DIP Orders.

9. "***Administrative Claim Bar Date***" means the deadline for filing requests for payment of Administrative Claims (other than (x) Professional Fee Claims, (y) Administrative Claims arising in the ordinary

course of business, or (z) Claims arising pursuant to section 503(b)(9) of the Bankruptcy Code, which are required to be filed in accordance with the Bar Date Order), which shall be 30 days after the Effective Date.

10. "***Administrative Claim Objection Bar Date***" means the deadline for filing objections to requests for payment of Administrative Claims (other than requests for payment of Professional Fee Claims), which shall be the later of (a) 60 days after the Effective Date and (b) 60 days after the Filing of the applicable request for payment of the Administrative Claims; *provided* that the Administrative Claim Objection Bar Date may be extended by the Bankruptcy Court after notice and a hearing.

11. "***Affiliate***" has the meaning set forth in section 101(2) of the Bankruptcy Code.

12. "***Allowed***" means with respect to any Claim, except as otherwise provided in the Plan: (a) a Claim that is evidenced by a Proof of Claim Filed by the Bar Date (or for which Claim under the Plan, the Bankruptcy Code, or pursuant to a Final Order a Proof of Claim is not or shall not be required to be Filed); (b) a Claim that is listed in the Schedules as not contingent, not unliquidated, and not disputed, and for which no Proof of Claim, as applicable, has been timely Filed; or (c) a Claim Allowed pursuant to the Plan or a Final Order of the Bankruptcy Court; *provided* that with respect to a Claim described in clauses (a) and (b) above, such Claim shall be considered Allowed only if and to the extent that, with respect to such Claim, no objection to the allowance thereof has been interposed within the applicable period of time fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, or such an objection is so interposed and the Claim, as applicable, shall have been Allowed by a Final Order. Except as otherwise specified in the Plan or any Final Order, and except for any Claim that is Secured by property of a value in excess of the principal amount of such Claims, the amount of an Allowed Claim shall not include interest on such Claim from and after the Petition Date. For purposes of determining the amount of an Allowed Claim, there shall be deducted therefrom an amount equal to the amount of any Claim that the Debtors may hold against the Holder thereof, to the extent such Claim may be offset, recouped, or otherwise reduced under applicable law. Any Claim that has been or is hereafter listed in the Schedules as contingent, unliquidated, or disputed, and for which no Proof of Claim is or has been timely Filed, is not considered Allowed and shall be expunged without further action by the Debtors and without further notice to any party or action, approval, or order of the Bankruptcy Court. Notwithstanding anything to the contrary herein, no Claim of any Entity subject to section 502(d) of the Bankruptcy Code shall be deemed Allowed unless and until such Entity pays in full the amount that it owes such Debtor or Reorganized Debtor, as applicable. For the avoidance of doubt: (x) a Proof of Claim Filed after the Bar Date shall not be Allowed for any purposes whatsoever absent entry of a Final Order allowing such late-filed Claim; and (y) the Debtors may affirmatively determine to deem Unimpaired Claims Allowed to the same extent such Claims would be allowed under applicable non-bankruptcy law. "Allow" and "Allowing" shall have correlative meanings.

13. "***Auction***" means the auction, if any, for some or all of the Debtors' assets, conducted in accordance with the Bidding Procedures.

14. "***Avoidance Actions***" mean any and all avoidance, recovery, or subordination actions or remedies that may be brought by or on behalf of the Debtors or their Estates under the Bankruptcy Code, CCAA, BIA, or applicable non-bankruptcy law, including actions or remedies under sections 544, 547, 548, 549, 550, 551, 552, or 553 of the Bankruptcy Code.

15. "***Bankruptcy Code***" means title 11 of the United States Code, 11 U.S.C. §§ 100–1532, as now in effect or hereafter amended, and the rules and regulations promulgated thereunder.

16. "***Bankruptcy Court***" means the United States Bankruptcy Court for the Southern District of New York, having jurisdiction over the Chapter 11 Cases and, to the extent of the withdrawal of reference under section 157 of the Judicial Code and/or the General Order of the District Court pursuant to section 151 of the Judicial Code, the United States District Court for the Southern District of New York.

17. "***Bankruptcy Rules***" means the Federal Rules of Bankruptcy Procedure, as applicable to the Chapter 11 Cases, promulgated under section 2075 of the Judicial Code and the general, local, and chambers rules of the Bankruptcy Court.

18. "***Bar Date Order***" means the *Order (A) Setting Bar Dates for Filing Proofs of Claim, (B) Approving Procedures for Submitting Proofs of Claim, (C) Approving Notice Thereof, and (D) Granting Related Relief* [Docket No. 120], entered by the Bankruptcy Court on June 21, 2019.

19. "***BIA***" means the Bankruptcy and Insolvency Act, R.S.C., 1985, c. B-3, as amended.

20. "***Bidding Procedures***" means the procedures governing the Auction and sale of all or substantially all of the Debtors' assets, as approved by the Bankruptcy Court and as may be amended from time to time in accordance with their terms.

21. "***Business Day***" means any day, other than a Saturday, Sunday, or "legal holiday" (as defined in Bankruptcy Rule 9006(a)(6)).

22. "***Canadian Assets***" means the assets, undertakings, and properties of Hollander Canada at the applicable time.

23. "***Canadian Court***" means the Ontario Superior Court of Justice (Commercial List).

24. "***Canadian Intercompany Claim***" means (i) the Claim of Hollander Canada in respect of the aggregate amount loaned by Hollander Canada to the Debtors other than Hollander Canada during the Chapter 11 Cases pursuant to and in accordance with the DIP Orders, *less* (ii) the aggregate amount reasonably incurred by the Debtors other than Hollander Canada during the Chapter 11 Cases in providing selling, general, and administrative services to Hollander Canada.

25. "***Cash***" or "***$***" means cash and cash equivalents, including bank deposits, checks, and other similar items in legal tender of the United States of America.

26. "***Causes of Action***" means any actions, claims, cross claims, third-party claims, interests, damages, controversies, remedies, causes of action, debts, judgments, demands, rights, actions, suits, obligations, liabilities, accounts, defenses, offsets, powers, privileges, licenses, liens, indemnities, guaranties, and franchises of any kind or character whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, contingent or non-contingent, liquidated or unliquidated, secured or unsecured, assertable directly or derivatively, matured or unmatured, suspected or unsuspected, disputed or undisputed, whether arising before, on, or after the Petition Date, in contract or in tort, in law or in equity, or pursuant to any other theory of law or otherwise. For the avoidance of doubt, "Causes of Action" include: (a) any rights of setoff, counterclaim, or recoupment and any claims under contracts or for breaches of duties imposed by law or in equity; (b) the right to object to or otherwise contest Claims or Interests; (c) claims pursuant to section 362 or chapter 5 of the Bankruptcy Code; (d) any claims or defenses, including fraud, mistake, duress, and usury, and any other defenses set forth in section 558 of the Bankruptcy Code; and (e) any state law fraudulent transfer claim.

27. "***CCAA***" means Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended.

28. "***Chapter 11 Cases***" means (a) when used with reference to a particular Debtor, the case pending for that Debtor under chapter 11 of the Bankruptcy Code and (b) when used with reference to all Debtors, the procedurally consolidated chapter 11 cases pending for the Debtors in the Bankruptcy Court.

29. "***Claim***" means any claim, as such term is defined in section 101(5) of the Bankruptcy Code, or as defined in the CCAA, as applicable, against a Debtor or an Estate.

30. "***Claims Bar Date***" means the dates established by the Bankruptcy Court by which Proofs of Claim must have been Filed with respect to such Claims (other than Claims required to be Filed by the Administrative Claims Bar Date), pursuant to (a) the Bar Date Order, (b) a Final Order of the Bankruptcy Court, or (c) the Plan.

31. "***Claims Register***" means the official register of Claims maintained by the Notice and Claims Agent.

32. "***Class***" means a class of Claims or Interests as set forth in Article III of the Plan in accordance with section 1122(a) of the Bankruptcy Code.

33. "***Collective Bargaining Agreement***" means those certain Collective Bargaining Agreements by and between Debtor Hollander Sleep Products, LLC, on the one hand, and, as applicable, the Southwest Regional Joint Board Workers United, the Southern Regional Joint Board of Workers United, SEIU on Behalf of Local 2420, the Mid-Atlantic Joint Board of Workers United, or the Workers United, Western States Regional Joint Board, on the other hand, as the same may have been amended from time to time.

34. "***Commercial Tort Claims***" means any commercial tort claims or Causes of Action owned by the Debtors arising on or before the Petition Date that remained outstanding as of the Petition Date.

35. "***Commercial Tort Proceeds***" means the Cash proceeds, if any, of any Commercial Tort Claims, *less* any fees, expenses, and disbursements of the Plan Administrator in excess of the Plan Administrator Budget, including any fees, expenses, and disbursements associated with the prosecution of Commercial Tort Claims, if any.

36. "***Committee***" means the statutory committee of unsecured creditors of the Debtors, appointed in the Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code by the U.S. Trustee on May 30, 2019, pursuant to the *Notice of Appointment of Committee of Unsecured Creditors* [Docket No. 61].

37. "***Committee Advisors***" means, collectively, Pachulski Stang Ziehl & Jones LLP, Alvarez & Marsal North America, LLC, and Gowling WLG.

38. "***Committee Monthly Fee Cap***" means, the sum of $300,000 per month for the period commencing on August 1, 2019, through the Effective Date which amount represents the maximum aggregate amount of (a) professional fees and expenses that may be incurred by professionals retained by the Committee in the Chapter 11 Cases (including the Committee Advisors) for which reimbursement is sought and (b) expenses incurred by the members of the Committee for which reimbursement is sought, each pursuant to and in accordance with section 1103 of the Bankruptcy Code, *provided* that any unused amount from a prior month may be used for fees and expenses incurred in a subsequent month on a rolling basis.

39. "***Confirmation***" means the Bankruptcy Court's entry of the Confirmation Order on the docket of the Chapter 11 Cases within the meaning of Bankruptcy Rules 5003 and 9021.

40. "***Confirmation Date***" means the date upon which the Bankruptcy Court enters the Confirmation Order on the docket of the Chapter 11 Cases, within the meaning of Bankruptcy Rules 5003 and 9021.

41. "***Confirmation Hearing***" means the hearing held by the Bankruptcy Court to consider Confirmation of the Plan pursuant to sections 1128 and 1129 of the Bankruptcy Code, including any adjournments thereof.

42. "***Confirmation Order***" means the order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code, which order must be reasonably acceptable to the Debtors, the Committee, the Required Term Lenders, the Term Loan Agent, the DIP ABL Agent (solely with respect to the economic and non-economic treatment of the DIP ABL Agent and DIP ABL Lenders pursuant to such order), the ABL Agent (solely with respect to the economic and non-economic treatment of the ABL Agent and ABL Lenders pursuant to such order), and the Sponsor.

43. "***Consenting Term Loan Lenders***" means the Term Loan Lenders that are party to the RSA, together with their respective successors and permitted assigns and any subsequent Term Loan Lenders that become party to the RSA in accordance with the terms of the RSA.

44. "***Consummation***" means the occurrence of the Effective Date.

45. "***D&O Liability Insurance Policies***" means, collectively, (a) all insurance policies (including any "tail policy") of any of the Debtors for current or former directors', members', trustees', managers', and officers'

liability as of the Petition Date, and (b) all insurance policies (including any "tail policy") for directors', members', trustees', managers', and officers' liability maintained by the Debtors, the Estates, or the Reorganized Debtors as of the Effective Date.

46. "***Debtor***" means one or more of the Debtors, as debtors and debtors in possession, each in its respective individual capacity as a debtor and debtor in possession in the Chapter 11 Cases.

47. "***Debtor Release***" means the release given on behalf of the Debtors and their Estates to the Released Parties as set forth in Article VIII.C of the Plan

48. "***Debtors***" means, collectively: (a) Dream II, (b) Hollander Home Fashions Holdings, LLC, (c) Hollander Sleep Products, LLC, (d) Hollander Sleep Products Kentucky, LLC, (e) Pacific Coast Feather, LLC, (f) Pacific Coast Feather Cushion, LLC, and (g) Hollander Sleep Products Canada Limited.

49. "***DIP ABL Agent***" means the administrative agent under the DIP ABL Credit Agreement, solely in its capacity as such.

50. "***DIP ABL Claims***" means any and all Claims derived from or based upon the DIP ABL Credit Facility, including all Claims for any fees and expenses of the DIP ABL Agent.

51. "***DIP ABL Credit Agreement***" means that certain debtor-in-possession credit agreement by and among the Debtors, the DIP ABL Agent, and the DIP ABL Lenders, as may be amended, modified, restated, or supplemented from time to time.

52. "***DIP ABL Credit Facility***" means the senior secured revolving credit facility provided for under the DIP ABL Credit Agreement.

53. "***DIP ABL Lenders***" means the banks, financial institutions, and other lenders party to the DIP ABL Credit Agreement from time to time, each letter of credit issuer thereunder, and each bank product provider thereunder, each solely in their capacity as such.

54. "***DIP ABL Order***" means collectively, the interim and final orders entered by the Bankruptcy Court authorizing the Debtors to enter into the DIP ABL Credit Agreement and incur postpetition obligations thereunder.

55. "***DIP Agents***" means collectively, the DIP ABL Agent and the DIP Term Loan Agent.

56. "***DIP Claims***" means any and all Claims arising under or related to the DIP Facilities, including the Last Out DIP Loan Claims.

57. "***DIP Credit Agreements***" means collectively, the DIP ABL Credit Agreement and the DIP Term Loan Credit Agreement.

58. "***DIP Facilities***" means the DIP ABL Credit Facility and the DIP Term Loan Facility.

59. "***DIP Intercreditor Agreement***" means the amended and restated intercreditor agreement, by and among the ABL Agent and the Term Loan Agent, which amended and restated the prepetition intercreditor agreement in its entirety, and is binding and enforceable against the Borrowers (as such term is defined in the DIP Orders), the other "Grantors" thereunder, the Prepetition Secured Parties, and the DIP Lenders in accordance with its terms.

60. "***DIP Lenders***" means the banks, financial institutions, and other lenders party to the DIP Credit Agreements from time to time and the bank product providers thereunder.

61. "***DIP Orders***" means collectively, the DIP ABL Order and the DIP Term Loan Order.

62. "***DIP Term Loan Agent***" means the administrative agent under the DIP Term Loan Credit Agreement, solely in its capacity as such.

63. "***DIP Term Loan Claims***" means any and all Claims derived from or based upon the DIP Term Loan Credit Facility, including all Claims for any fees and expenses of the DIP Term Loan Agent.

64. "***DIP Term Loan Credit Agreement***" means that certain debtor-in-possession credit agreement by and among the Debtors, the DIP Term Loan Agent, and the DIP Term Loan Lenders, as may be amended, modified, restated, or supplemented from time to time.

65. "***DIP Term Loan Credit Facility***" means the credit facility provided for under the DIP Term Loan Credit Agreement.

66. "***DIP Term Loan Debt Consideration***" means $28 million of the Exit Term Loan Facility provided to the DIP Term Loan Lenders in consideration of the DIP Term Loan Claims (in addition to any other consideration provided herein).

67. "***DIP Term Loan Documents***" means the DIP Term Loan Credit Agreement and all other agreements, documents, and instruments related thereto, including any guaranty agreements, pledge and collateral agreements, intercreditor agreements, and other security agreements, as may be amended, modified, restated, or supplemented from time to time.

68. "***DIP Term Loan Lenders***" means the banks, financial institutions, and other lenders party to the DIP Term Loan Credit Agreement from time to time, each solely in their capacity as such.

69. "***DIP Term Loan Order***" means collectively, the interim and final orders entered by the Bankruptcy Court authorizing the Debtors to enter into the DIP Term Loan Credit Agreement and incur postpetition obligations thereunder.

70. "***Disbursing Agent***" means, as applicable, the Reorganized Debtors or the Plan Administrator (as applicable) or any Entity or Entities selected by the Debtors, the Reorganized Debtors, or the Plan Administrator to make or facilitate distributions contemplated under the Plan (in consultation with the Term Loan Agent with respect to distributions made to the Holders of Term Loan Claims).

71. "***Disclosure Statement***" means the *Disclosure Statement for the Debtors' First Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code*, dated as of July 21, 2019, as may be amended, supplemented, or modified from time to time, including all exhibits and schedules thereto and references therein that relate to the Plan, that is prepared and distributed in accordance with the Bankruptcy Code, the Bankruptcy Rules, and any other applicable law and approved by the Bankruptcy Court pursuant to section 1125 of the Bankruptcy Code, which must be reasonably acceptable to the Debtors, the Committee, the Required Term Lenders, the Term Loan Agent, the ABL Agent, and the Sponsor.

72. "***Disputed***" means, with respect to any Claim or Interest, any Claim or Interest that is not yet Allowed.

73. "***Distribution Record Date***" means the date for determining which Holders of Allowed Claims or Allowed Interests are eligible to receive distributions under the Plan, which date shall be the Effective Date or such other date as is designated in a Final Order of the Bankruptcy Court.

74. "***Dream II***" means Dream II Holdings, LLC.

75. "***Effective Date***" means the date that is the first Business Day after the Confirmation Date on which (a) the conditions to the occurrence of the Effective Date have been satisfied or waived pursuant to Article IX.A and Article IX.B of the Plan and (b) no stay of the Confirmation Order is in effect, which shall be the day Consummation occurs.

76. "***Entity***" means an entity as such term is defined in section 101(15) of the Bankruptcy Code.

77. "***Estate***" means, as to each Debtor, the estate created on the Petition Date for the Debtor in its Chapter 11 Case pursuant to section 541 of the Bankruptcy Code and all property (as defined in section 541 of the Bankruptcy Code) acquired by the Debtors after the Petition Date through the Effective Date.

78. "***Excess Distributable Cash***" means, only in the event that the Winning Bidder is an Entity other than the Term Loan Lenders, any Cash proceeds of a Sale Transaction in excess of amounts necessary to satisfy the Plan Administrator Budget and all Claims senior in priority to General Unsecured Claims, including the DIP Claims, the ABL Claims, and the Term Loan Claims, in full, in Cash, as provided herein.

79. "***Exculpated Party***" means collectively, and in each case solely in its capacity as such: (a) the Debtors; (b) the Reorganized Debtors; (c) the Committee and each of its respective members; (d) the DIP Agents; (e) the DIP Lenders; (f) the Put Purchasers; (g) the ABL Agent; (h) the ABL Lenders; (i) the Term Loan Agent; (j) the Term Loan Lenders; (k) the Exit Facility Agents; (l) the Exit Facility Lenders; (m) the Sponsor; (n) the parties to the RSA; and (o) with respect to each of the foregoing entities, such Entity and its current and former Affiliates, and such Entities' and their current Affiliates' directors, managers, officers, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, participants, successors, and assigns, subsidiaries, and each of their respective current and former equity holders, officers, directors, managers, principals, members, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, each in their capacity as such.

80. "***Executory Contract***" means a contract to which one or more of the Debtors is a party and that is subject to assumption or rejection under section 365 or 1123 of the Bankruptcy Code.

81. "***Exit ABL Agent***" means the administrative agent under the Exit ABL Credit Agreement, solely in its capacity as such.

82. "***Exit ABL Credit Agreement***" means that certain credit agreement by and among the Reorganized Debtors, the Exit ABL Agent, and the Exit ABL Lenders, which shall be reasonably acceptable to the Debtors, the Sponsor, the Term Loan Agent, the Required Term Lenders, the DIP ABL Agent (solely with respect to the economic and non-economic treatment of the DIP ABL Agent and DIP ABL Lenders pursuant to such agreement, if applicable), and the Committee (solely with respect to any provisions implementing the Last Out Loans Turnover) and which shall be included in the Plan Supplement.

83. "***Exit ABL Documents***" means the Exit ABL Credit Agreement and all other agreements, documents, and instruments related thereto, including any guaranty agreements, pledge and collateral agreements, intercreditor agreements, and other security agreements, which shall be reasonably acceptable to the Debtors, the Sponsor, the Term Loan Agent, the Required Term Lenders, the DIP ABL Agent (solely with respect to the economic and non-economic treatment of the DIP ABL Agent and DIP ABL Lenders pursuant to such documents, if applicable), and the Committee (solely with respect to any provisions implementing the Last Out Loans Turnover).

84. "***Exit ABL Facility***" means the asset-based revolving credit facility provided for under the Exit ABL Credit Agreement.

85. "***Exit ABL Lenders***" means the banks, financial institutions, and other lenders party to the Exit ABL Credit Agreement from time to time, each solely in their capacity as such.

86. "***Exit Facilities***" means, collectively, the Exit ABL Facility and the Exit Term Loan Facility.

87. "***Exit Facility Agents***" means, collectively, the Exit ABL Agent and the Exit Term Loan Agent.

88. "***Exit Facility Documents***" means, collectively, the Exit ABL Documents and the Exit Term Loan Documents.

89. "***Exit Facility Lenders***" means, collectively, the Exit ABL Lenders and the Exit Term Loan Lenders.

90. "***Exit Term Loan Agent***" means the administrative agent under the Exit Term Loan Credit Agreement, solely in its capacity as such.

91. "***Exit Term Loan Commitment Letter***" means that certain exit commitment letter, dated May 19, 2019, by and among the Debtors and certain Term Loan Lenders party thereto, which is attached to the RSA as Exhibit C.

92. "***Exit Term Loan Credit Agreement***" means that certain credit agreement by and among the Reorganized Debtors, the Exit Term Loan Agent, and the Exit Term Loan Lenders, which shall include terms and conditions consistent with the Exit Term Loan Commitment Letter, shall be reasonably acceptable to the parties thereto and the DIP ABL Agent (solely with respect to the economic and non-economic treatment of the DIP ABL Agent and DIP ABL Lenders pursuant to such agreement, if applicable), and shall be included in the Plan Supplement.

93. "***Exit Term Loan Documents***" means the Exit Term Loan Credit Agreement and all other agreements, documents, and instruments related thereto, including any guaranty agreements, pledge and collateral agreements, intercreditor agreements, and other security agreements, which shall be reasonably acceptable to the parties to the Exit Term Loan Credit Agreement and the DIP ABL Agent (solely with respect to the economic and non-economic treatment of the DIP ABL Agent and DIP ABL Lenders pursuant to such documents, if applicable).

94. "***Exit Term Loan Facility***" means the term loan credit facility in the aggregate principal amount of $58,000,000 (comprised of the New Money Exit Term Loan Facility and the DIP Term Loan Debt Consideration) provided for under the Exit Term Loan Credit Agreement.

95. "***Exit Term Loan Lenders***" means the banks, financial institutions, and other lenders party to the Exit Term Loan Credit Agreement from time to time, each solely in their capacity as such.

96. "***Federal Judgment Rate***" means the federal judgment interest rate in effect as of the Petition Date calculated as set forth in section 1961 of the Judicial Code.

97. "***File***," "***Filed***," or "***Filing***" means file, filed, or filing with the Bankruptcy Court or its authorized designee in the Chapter 11 Cases, or, with respect to the filing of a Proof of Claim or Proof of Interest, the Notice and Claims Agent.

98. "***Final Order***" means, as applicable, an order or judgment of the Bankruptcy Court or other court of competent jurisdiction with respect to the relevant subject matter, which has not been reversed, stayed, modified, or amended, and as to which the time to appeal, petition for certiorari, or move for reargument, reconsideration, or rehearing has expired and no appeal, petition for certiorari, or motion for reargument, reconsideration, or rehearing has been timely taken or filed, or as to which any appeal, petition for certiorari, or motion for reargument, reconsideration, or rehearing that has been taken or any petition for certiorari that has been or may be filed has been resolved by the highest court to which the order or judgment could be appealed or from which certiorari could be sought or the new trial, reargument, or rehearing shall have been denied, resulted in no modification of such order, or has otherwise been dismissed with prejudice; *provided*, *however*, that the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure or any comparable rule of the Bankruptcy Rules may be Filed relating to such order shall not cause such order to not be a Final Order.

99. "***Future Sale Consideration***" means, if the Term Loan Lenders are the Winning Bidder and the Reorganized Debtors are sold within 24 months of the Effective Date and the Term Loan Lenders receive more than a 30% recovery on account of their Term Loan Claims (based on the full amount of each such Holder's Term Loan Claim) (which shall be calculated after the repayment in full of the Exit Facilities (including, for the avoidance of doubt, the conversion of the DIP Term Loan Credit Facility into the Exit Term Loan Credit Facility), any Claims related to the foregoing, and any replacement or additional money raised to fund the Reorganized Debtors, the sources and uses of such sale transaction, and any other obligations repaid as part of such transaction), 5% of each dollar in excess thereof.

100. "***General Unsecured Claim***" means any Claim that is not Secured and is not (a) an Administrative Claim (including, for the avoidance of doubt, a Professional Fee Claim), (b) an Other Secured Claim, (c) a Priority Tax Claim, (d) an Other Priority Claim, (e) an ABL Claim, (f) a Term Loan Claim, or (g) a DIP Claim. Any Term Loan Deficiency Claim shall be waived and shall not constitute a General Unsecured Claim.

101. "***Governmental Unit***" has the meaning set forth in section 101(27) of the Bankruptcy Code.

102. "***GUC Reorganization Recovery Pool***" means if the Term Loan Lenders are the Winning Bidder, Cash in the amount of $500,000, *less* any fees, expenses, and disbursements of the Plan Administrator in excess of the Plan Administrator Budget, including any fees, expenses, and disbursements associated with the prosecution of Commercial Tort Claims, if any.

103. "***GUC Sale Transaction Recovery Pool***" means, in a Sale Transaction, from the first available proceeds of the Term Loan Priority Collateral: (a) Cash in the amount of $600,000, plus (b) if the Term Loan Lenders receive more than a 30% recovery on account of their Term Loan Claims (based on the full amount of each such Holder's Term Loan Claim), 5% of each dollar in excess thereof, plus (c) if the Term Loan Lenders receive more than a 50% recovery on account of their Term Loan Claims (based on the full amount of each such Holder's Term Loan Claim), 7.5% of each dollar in excess thereof, less (d) any fees, expenses, and disbursements of the Plan Administrator in excess of the Plan Administrator Budget, including any fees, expenses, disbursements associated with the prosecution of Commercial Tort Claims, if any.

104. "***Holder***" means an Entity holding a Claim or an Interest in any Debtor.

105. "***Hollander Canada***" means Hollander Sleep Products Canada Limited.

106. "***Impaired***" means, with respect to a Class of Claims or Interests, a Class of Claims or Interests that is impaired within the meaning of section 1124 of the Bankruptcy Code.

107. "***Indemnification Obligations***" means each of the Debtors' indemnification obligations in place as of the Effective Date, whether in the bylaws, certificates of incorporation or formation, limited liability company agreements, other organizational or formation documents, board resolutions, management or indemnification agreements, or employment or other contracts, for their current and former directors, officers, managers, members, employees, attorneys, accountants, investment bankers, and other professionals and agents of the Debtors.

108. "***Information Officer***" means the information officer appointed by the Canadian Court in the Recognition Proceedings.

109. "***Initial Distribution Date***" means the date on which the Disbursing Agent shall make initial distributions to holders of Claims and Interests pursuant to the Plan, which shall be as soon as reasonably practicable after the Effective Date but in no event shall be later than 30 days after the Effective Date.

110. "***Initial Minimum Overbid***" has the meaning given to such term in the Bidding Procedures.

111. "***Intercompany Claim***" means any Claim held by a Debtor or an Affiliate of a Debtor against another Debtor arising before the Petition Date and excludes, for the avoidance of doubt, the Canadian Intercompany Claim.

112. "***Intercompany Interest***" means an Interest in any Debtor, or a direct or indirect subsidiary of any Debtor, other than an Interest in Dream II.

113. "***Intercreditor Agreement***" means that certain Intercreditor Agreement, dated as of June 9, 2017, by and among the Prepetition Agents, as amended, restated, supplemented, or otherwise modified in accordance with its terms.

114. "***Interest***" means any equity security in a Debtor as defined in section 101(16) of the Bankruptcy Code, including all issued, unissued, authorized, or outstanding shares of capital stock of the Debtors and any other rights, options, warrants, stock appreciation rights, phantom stock rights, restricted stock units, redemption rights, repurchase rights, convertible, exercisable, or exchangeable securities, or other agreements, arrangements, or commitments of any character relating to, or whose value is related to, any such interest or other ownership interest in any Debtor whether or not arising under or in connection with any employment agreement and whether or not certificated, transferable, preferred, common, voting, or denominated "stock" or a similar security, including any Claims against any Debtor subject to subordination pursuant to section 510(b) of the Bankruptcy Code arising from or related to any of the foregoing.

115. "***Interim Compensation Order***" means the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Retained Professionals* [Docket No. 179], entered by the Bankruptcy Court on July 3, 2019, as the same may be modified by a Bankruptcy Court order approving the retention of a specific Professional or otherwise.

116. "***Judicial Code***" means title 28 of the United States Code, 28 U.S.C. §§ 1–4001, as now in effect or hereafter amended, and the rules and regulations promulgated thereunder.

117. "***Last Out DIP Loan Claims***" means any and all Claims derived from or based upon the Last Out DIP Loans.

118. "***Last Out DIP Loans***" means those Last Out Loans that upon entry of the final DIP ABL Order were deemed refinanced or replaced by, or otherwise converted into, Last Out Loans under the DIP ABL Credit Facility.

119. "***Last Out Loans***" means those "Last Out Loans" as defined in the ABL Credit Agreement.

120. "***Last Out Loans Turnover***" means the turnover of the Last Out Loans Turnover Amount in accordance with the terms of the Plan.

121. "***Last Out Loans Turnover Amount***" means an amount up to $650,000 in the aggregate to be paid for the benefit of Holders of General Unsecured Claims, which shall be paid from (i) the first $200,000 of any proceeds distributed to Holders of Last Out DIP Loan Claims on account of such Claims (including, after being rolled into any Exit ABL Facility, on account of any repayment as part of such Exit ABL Facility), plus (ii) 50 percent of each dollar received in excess of the first $200,000 of any such proceeds distributed to the Holders of Last Out DIP Loan Claims up to a total maximum amount of $650,000 (inclusive of the first $200,000 of proceeds paid).

122. "***Lien***" means a lien as defined in section 101(37) of the Bankruptcy Code.

123. "***Management Incentive Plan***" means that certain management incentive plan that may be adopted by the New Board after the Effective Date on terms to be determined by and at the discretion of the New Board, including with respect to allocation, timing, and structure of such issuance and the Management Incentive Plan, the amount of which shall be reasonably acceptable to the Debtors, the Term Loan Agent, and the Required Term Lenders.

124. "***New Board***" means the initial board of directors, members, or managers, as applicable, of the Reorganized Dream II.

125. "***New Interests***" means the equity interests in Reorganized Dream II.

126. "***New Money Exit Term Loan Facility***" means the "new money" term loan credit facility in the aggregate principal amount of $30,000,000 provided for under the Exit Term Loan Credit Agreement.

127. "***New Organizational Documents***" means the form of the certificates or articles of incorporation or formation, bylaws, limited liability company agreements, or such other applicable formation documents, including

any shareholders agreement, of Reorganized Dream II, the terms of which shall be reasonably acceptable to the Debtors, the Term Loan Agent, and the Required Term Lenders and which shall be included in the Plan Supplement.

128. "***Notice and Claims Agent***" means Omni Management Group in its capacity as notice and claims agent for the Debtors and any successor.

129. "***Other Priority Claim***" means any Claim, to the extent such Claim has not already been paid during the Chapter 11 Cases, other than an Administrative Claim or a Priority Tax Claim, entitled to priority in right of payment under section 507(a) of the Bankruptcy Code.

130. "***Other Secured Claim***" means any Secured Claim that is not a DIP Claim, an ABL Claim, a Term Loan Claim, or a Secured Tax Claim, and includes (i) any Claim secured by the Administration Charge, and (ii) the Canadian Intercompany Claim.

131. "***Payoff Letter***" means the payoff letter in respect of any payment in full of the DIP ABL Claims and ABL Claims (excluding last out DIP Claims) in accordance with Section 1.4 of the DIP ABL Credit Agreement, to be agreed upon by the Debtor and the DIP ABL Agent prior to the Effective Date.

132. "***Person***" means a person as such term as defined in section 101(41) of the Bankruptcy Code.

133. "***Petition Date***" means the date on which each of the Debtors commenced the Chapter 11 Cases.

134. "***Plan***" means this *Debtors' Joint Plan of Reorganization of Hollander Sleep Products, LLC and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code*, as may be altered, amended, modified, or supplemented from time to time in accordance with Article X hereof, including the Plan Supplement (as modified, amended or supplemented from time to time), which is incorporated herein by reference and made part of the Plan as if set forth herein.

135. "***Plan Administrator***" means (a) if the Holders of Class 5 Claims vote to accept the Plan, a person or Entity designated by the Committee in consultation with the Debtors, or (b) if the Holders of Class 5 Claims vote to reject the Plan, a person or Entity designated by the Debtors in consultation with the Committee, who will be disclosed prior to the Confirmation Hearing to have all power and authorities set forth in Article VII.B of the Plan.

136. "***Plan Administrator Budget***" means that certain budget governing the fees, expenses, disbursements of the Plan Administrator, which budget shall be reasonably acceptable to the Debtors, the Committee, the Term Loan Agent, and the Required Term Lenders and filed with the Bankruptcy Court as part of the Plan Supplement.

137. "***Plan Settlement***" means the good faith compromise and settlement of all Claims, Interests, and controversies as described in Article IV.A of the Plan.

138. "***Plan Supplement***" means the compilation of documents and forms of documents, agreements, schedules, and exhibits to the Plan, the initial draft of certain of such documents shall be Filed by the Debtors fourteen calendar days before the first day of the Confirmation Hearing, and additional documents Filed with the Bankruptcy Court prior to the Effective Date, as may be amended, supplemented, altered, or modified from time to time in accordance with the terms hereof, the Bankruptcy Code, and the Bankruptcy Rules, including: (a) the New Organizational Documents, if applicable; (b) the Exit ABL Credit Agreement, if applicable; (c) the Exit Term Loan Credit Agreement, if applicable; (d) any necessary documentation related to the Sale Transaction, if applicable; (e) the Schedule of Assumed Executory Contracts and Unexpired Leases; (f) the Schedule of Rejected Executory Contracts and Unexpired Leases; (g) the Schedule of Retained Causes of Action; (h) the identity of the members of the New Board and any executive management for the Reorganized Debtors; (i) the Payoff Letter; (j) the Restructuring Transactions Memorandum; (k) the identity and terms of compensation of the Plan Administrator; (l) the Plan Administrator Budget; and (m) any other necessary documentation related to the Restructuring Transactions, which shall be reasonably acceptable to the Debtors, the Sponsor, the Term Loan Agent, and the Required Term Lenders.

139. "***Prepetition Agents***" means the ABL Agent and the Term Loan Agent.

140. "***Prepetition Facilities***" means the ABL Credit Facility and the Term Loan Facility.

141. "***Prepetition Secured Lenders***" means the ABL Lenders and Term Loan Lenders.

142. "***Priority Tax Claim***" means any Claim of a Governmental Unit of the kind specified in section 507(a)(8) of the Bankruptcy Code.

143. "***Pro Rata***" means the proportion that an Allowed Claim or an Allowed Interest in a particular Class bears to the aggregate amount of Allowed Claims or Allowed Interests in that Class.

144. "***Professional***" means an Entity retained in the Chapter 11 Cases pursuant to and in accordance with sections 327, 363, or 1103 of the Bankruptcy Code and to be compensated for services rendered and expenses incurred pursuant to sections 327, 328, 329, 330, 331, or 363 of the Bankruptcy Code, *provided* that, for the avoidance of doubt, the advisors to the Term Loan Agent, the DIP Agents, and the ABL Agent shall not constitute a "Professional."

145. "***Professional Fee Claims***" mean all Claims for fees and expenses (including transaction and success fees) incurred by a Professional on or after the Petition Date through and including the Confirmation Date to the extent such fees and expenses have not been paid pursuant to an order of the Bankruptcy Court and regardless of whether a monthly fee statement or interim fee application has been Filed for such fees and expenses. To the extent a Bankruptcy Court or higher court of competent jurisdiction denies or reduces by a Final Order any amount of a Professional's fees or expenses, then the amount by which such fees or expenses are reduced or denied shall reduce the applicable Professional Fee Claim.

146. "***Professional Fee Escrow Account***" means an interest-bearing escrow account to be funded by the Debtors with Cash on the Effective Date in an amount equal to the Professional Fee Escrow Amount, *provided* that the Professional Fee Escrow shall be increased from Cash on hand at the Reorganized Debtors to the extent applications are filed after the Effective Date in excess of the amount of Cash funded into the escrow as of the Effective Date.

147. "***Professional Fee Escrow Amount***" means the total amount of Professional fees and expenses estimated pursuant to Article II.B.3 of the Plan.

148. "***Proof of Claim***" means a written proof of Claim Filed against any of the Debtors in the Chapter 11 Cases.

149. "***Proof of Interest***" means a written proof of Interest Filed against any of the Debtor in the Chapter 11 Cases.

150. "***Put Purchasers***" means Sentinel Capital Partners V, L.P., Sentinel Dream Blocker, Inc., and Sentinel Capital Investors V, L.P.

151. "***Quarterly Distribution Date***" means the first Business Day after the end of each quarterly calendar period (i.e., March 31, June 30, September 30, and December 31 of each calendar year) occurring after the Effective Date, or as soon thereafter as is reasonably practicable.

152. "***Recognition Proceedings***" means the proceedings commenced by the Debtors under Part IV of the CCAA in the Canadian Court to recognize the Chapter 11 Cases as "foreign main proceedings" in Canada.

153. "***Reinstate***," "***Reinstated***," or "***Reinstatement***" means (a) leaving unaltered the legal, equitable, and contractual rights to which a Claim or Interest entitles the Holder of such Claim or Interest so as to leave such Claim or Interest not Impaired or (b) notwithstanding any contractual provision or applicable law that entitles the Holder of a Claim or Interest to demand or receive accelerated payment of such Claim or Interest after the occurrence of a default: (i) curing any such default that occurred before or after the Petition Date, other than a default of a kind

specified in section 365(b)(2) of the Bankruptcy Code or of a kind that section 365(b)(2) expressly does not require to be cured; (ii) reinstating the maturity (to the extent such maturity has not otherwise accrued by the passage of time) of such Claim or Interest as such maturity existed before such default; (iii) compensating the Holder of such Claim or Interest for any damages incurred as a result of any reasonable reliance by such holder on such contractual provision or such applicable law; (iv) if such Claim or Interest arises from a failure to perform a nonmonetary obligation other than a default arising from failure to operate a nonresidential real property lease subject to section 365(b)(1)(A), compensating the Holder of such Claim or Interest (other than the Debtor or an insider) for any actual pecuniary loss incurred by such Holder as a result of such failure; and (v) not otherwise altering the legal, equitable, or contractual rights to which such Claim or Interest entitles the Holder.

154. "***Released Party***" means, collectively, and in each case in its capacity as such: (a) the Debtors; (b) the Reorganized Debtors; (c) the Prepetition Secured Lenders; (d) the Prepetition Agents; (e) the DIP Lenders; (f) the Put Purchasers; (g) the DIP Agents; (h) the Exit Facility Lenders; (i) the Exit Facility Agents; (j) the Winning Bidder; (k) the Sponsor; (l) the parties to the RSA; (m) the Committee; and (n) with respect to each of the foregoing in clauses (a) through (m), such Entity and its current and former Affiliates, and such Entities' and their current Affiliates' directors, managers, officers, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, participants, successors, and assigns, subsidiaries, affiliates, managed accounts or funds, and each of their respective current and former equity holders, officers, directors, managers, principals, shareholders, members (other than members of the Committee), management companies, fund advisors, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals; *provided* that any of the foregoing that does not consent to the releases shall not be a "Released Party."

155. "***Releasing Parties***" means, collectively, each of the following: (a) the Debtors; (b) the Reorganized Debtors; (c) the Prepetition Secured Lenders; (d) the Prepetition Agents; (e) the DIP Lenders; (f) the Put Purchasers; (g) the DIP Agents; (h) the Exit Facility Lenders; (i) the Exit Facility Agents; (j) the Winning Bidder; (k) the Sponsor; (l) the parties to the RSA; (m) the Committee; (n) with respect to each of the foregoing in clauses (a) through (m), such Entity and its current and former Affiliates, and such Entities' and their current and former Affiliates' current and former directors, managers, officers, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, successors, and assigns, subsidiaries, affiliates, managed accounts or funds, and each of their respective current and former equity holders, officers, directors, managers, principals, shareholders, members, management companies, fund advisors, employees, agents, advisory board members (other than members of the Committee), financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, each in their capacity as such collectively; (o) all Holders of Claims that vote to accept the Plan; (p) all Holders of Claims that vote to reject the Plan but elect on their ballot to opt into the Third-Party Release; and (q) all Holders of Claims or Interests not described in the foregoing clauses (a) through (p) who elect to opt into the Third-Party Release.

156. "***Reorganized Debtors***" means the Debtors, as reorganized pursuant to and under the Plan, or any successor or assign thereto, by merger, amalgamation, consolidation, or otherwise, on or after the Effective Date, including Reorganized Dream II.

157. "***Reorganized Dream II***" means Dream II Holdings, LLC, or any successor thereto, by merger, consolidation, or otherwise, on or after the Effective Date.

158. "***Required Term Lenders***" means the Required Consenting Term Loan Lenders (as defined in the RSA).

159. "***Restructuring Transactions***" means the transactions described in Article IV.B of the Plan.

160. "***Restructuring Transactions Memorandum***" means, if the Term Loan Lenders are the Winning Bidder, a memorandum to be included in the Plan Supplement, prior to the Effective Date that, among other things, sets forth the steps necessary to effectuate the transactions described in Article IV.B of the Plan.

161. "***RSA***" means that certain restructuring support agreement, dated as of May 19, 2019, by and among the Debtors, the Consenting Term Loan Lenders, and the Sponsor, as amended and restated by that certain amended

and restated restructuring support and settlement agreement, dated as of July 21, 2019, by and among the Debtors, the Consenting Term Loan Lenders, the Committee, and the Sponsor, as may be amended, restated, supplemented, or modified from time to time.

162. "***Sale Transaction***" means the sale of all or substantially all of the Debtors' assets to the Winning Bidder, if such Winning Bidder is an Entity other than the Term Loan Lenders, consummated in accordance with the Bidding Procedures and the Plan.

163. "***Schedule of Assumed Executory Contracts and Unexpired Leases***" means the schedule of certain Executory Contracts and Unexpired Leases to be assumed by the Debtors pursuant to the Plan, as the same may be amended, modified, or supplemented from time to time by the Debtors, which shall be reasonably acceptable to the Debtors, the Term Loan Agent, and the Required Term Lenders and shall be included in the Plan Supplement.

164. "***Schedule of Rejected Executory Contracts and Unexpired Leases***" means the schedule of certain Executory Contracts and Unexpired Leases to be rejected by the Debtors pursuant to the Plan, as the same may be amended, modified, or supplemented from time to time by the Debtors, which shall be reasonably acceptable to the Debtors, the Term Loan Agent, and the Required Term Lenders and shall be included in the Plan Supplement.

165. "***Schedule of Retained Causes of Action***" means the schedule of certain Causes of Action of the Debtors that are not released, waived, or transferred pursuant to the Plan, as the same may be amended, modified, or supplemented from time to time by the Debtors, which shall be reasonably acceptable to the Debtors, the Term Loan Agent, and the Required Term Lenders and shall be included in the Plan Supplement.

166. "***Schedules***" means, collectively, the schedules of assets and liabilities, schedules of Executory Contracts and Unexpired Leases and statements of financial affairs Filed by the Debtors pursuant to section 521 of the Bankruptcy Code, as such schedules may be amended, modified, or supplemented from time to time.

167. "***Section 510(b) Claim***" means any Claim subject to subordination under section 510(b) of the Bankruptcy Code; *provided* that a Section 510(b) Claim shall not include any Claim subject to subordination under section 510(b) of the Bankruptcy Code arising from or related to an Interest.

168. "***Secured***" means when referring to a Claim: (a) secured by a Lien on property in which the applicable Estate has an interest, which Lien is valid, perfected, and enforceable pursuant to applicable law or by reason of a Bankruptcy Court or Canadian Court order, or that is subject to setoff pursuant to section 553 of the Bankruptcy Code, to the extent of the value of the creditor's interest in such Estate's interest in such property or to the extent of the amount subject to setoff, as applicable, which value shall be determined pursuant to section 506(a) of the Bankruptcy Code or (b) Allowed pursuant to the Plan as a Secured Claim.

169. "***Secured Tax Claim***" means any Secured Claim that, absent its secured status would be entitled to priority in right of payment under section 507(a)(8) of the Bankruptcy Code (determined irrespective of time limitations), including authority related Secured Claim for penalties.

170. "***Securities Act***" means the Securities Act of 1933, 15 U.S.C. §§ 77a–77aa, as now in effect or hereafter amended, and the rules and regulations promulgated thereunder.

171. "***Security***" means a security as defined in section 2(a)(1) of the Securities Act.

172. "***Sponsor***" means Sentinel Capital Partners on behalf of itself and each of its affiliated investment funds or investment vehicles managed or advised by it, and its Affiliates, each solely in their capacity as holders of direct or indirect equity interests in Dream II.

173. "***Supporting Vendor***" means any vendor who participates in the Vendor Support Incentive.

174. "***Term Loan Agent***" means Barings Finance LLC, in its capacity as administrative agent under the Term Loan Credit Agreement, solely in its capacity as such.

175. "***Term Loan Claims***" means any and all Claims relating to, arising out of, arising under, or arising in connection with the Term Loan Facility and the Term Loan Documents.

176. "***Term Loan Credit Agreement***" means that certain term loan credit agreement dated as of June 9, 2017, by and among Hollander Sleep Products, LLC, as borrower, Dream II and Hollander Home Fashions Holdings, LLC, as guarantors, the Term Loan Lenders, and the Term Loan Agent, as amended, modified, restated, or supplemented from time to time prior to the Petition Date.

177. "***Term Loan Deficiency Claim***" means a Term Loan Claim that is not a Secured Claim, which Term Loan Deficiency Claim shall be, subject to the occurrence of the Effective Date, waived pursuant to the Plan.

178. "***Term Loan Distributable Cash***" means, only in the event that the Winning Bidder is an Entity other than the Term Loan Lenders, any Cash proceeds of a Sale Transaction in excess of amounts necessary to (i) satisfy all Claims senior in priority to the Term Loan Claims (including the ABL Claims and DIP ABL Claims secured by the ABL Priority Collateral) in full, in Cash, as provided herein, (ii) fund the GUC Sale Transaction Recovery Pool, and (iii) fund the Plan Administrator Budget.

179. "***Term Loan Documents***" means the Term Loan Credit Agreement and all other agreements, documents, and instruments related thereto, including any guaranty agreements, pledge and collateral agreements, intercreditor agreements, and other security agreements, in each case, as amended, modified, restated, or supplemented from time to time prior to the Petition Date.

180. "***Term Loan Facility***" means the term loan facility provided for under the Term Loan Credit Agreement.

181. "***Term Loan Lenders***" means the banks, financial institutions, and other lenders party to the Term Loan Credit Agreement from time to time, each solely in their capacity as such.

182. "***Term Loan Priority Collateral***" has the meaning given to such term as defined in the Intercreditor Agreement.

183. "***Third-Party Release***" means the release given by each of the Releasing Parties to the Released Parties as set forth in Article VIII.D of the Plan.

184. "***U.S. Trustee***" means the Office of the United States Trustee for the Southern District of New York.

185. "***Unexpired Lease***" means a lease to which one or more of the Debtors is a party that is subject to assumption or rejection under section 365 or section 1123 of the Bankruptcy Code.

186. "***Unimpaired***" means, with respect to a Class of Claims or Interests, a Class of Claims or Interests that is unimpaired within the meaning of section 1124 of the Bankruptcy Code.

187. "***Vendor Support Incentive***" means for each Supporting Vendor who agrees at the request of the Debtors, in the Debtors' sole discretion, to provide standard prepetition trade credit to the Reorganized Debtors on the most favorable terms extended by the Supporting Vendor in the 12 months before the Petition Date (but in no event less than 60-day terms) for the 12-month period beginning on the Effective Date, which support shall be documented in a trade agreement acceptable to the Debtors, (a)(i) a payment of 3.0% of the average outstanding payable balance for the 12-month period beginning on the Effective Date to be paid in six monthly installments *plus* (ii) 1% of such Supporting Vendor's Allowed General Unsecured Claim, or (b) a letter of credit from the Reorganized Debtors backing the payment of the moving average outstanding payable balance for the 12-month period beginning on the Effective Date.

188. "***Voting Deadline***" means [4:00 p.m.], prevailing Eastern Time, on [August 28], 2019.

189. "***Winning Bidder***" means the Entity or Entities whose bid or bids for some or all of the Debtors' assets, which for the avoidance of doubt may include the transaction contemplated under the Plan, is selected by the Debtors and approved by the Bankruptcy Court as the highest or otherwise best bid pursuant to the Bidding Procedures. For the avoidance of doubt, if there is no third-party purchaser of the assets, the Term Loan Lenders shall be deemed to be the Winning Bidder in accordance with the other terms and provisions of the Plan.

B. Rules of Interpretation

For purposes of this Plan: (1) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and the neuter gender; (2) any reference herein to a contract, lease, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that the referenced document shall be substantially in that form or substantially on those terms and conditions; (3) any reference herein to an existing document, schedule, or exhibit, whether or not Filed, having been Filed or to be Filed shall mean that document, schedule, or exhibit, as it may thereafter be amended, restated, supplemented, or otherwise modified; (4) any reference to an Entity as a Holder of a Claim or Interest includes that Entity's successors and assigns; (5) unless otherwise specified, all references herein to "Articles" are references to Articles of the Plan or hereto; (6) unless otherwise specified, all references herein to exhibits are references to exhibits in the Plan Supplement; (7) the words "include" and "including," and variations thereof, shall not be deemed to be terms of limitation, and shall be deemed to be followed by the words "without limitation"; (8) unless otherwise specified, the words "herein," "hereof," and "hereto" refer to the Plan in its entirety rather than to a particular portion of the Plan; (9) subject to the provisions of any contract, certificate of incorporation, bylaw, instrument, release, or other agreement or document entered into in connection with the Plan, the rights and obligations arising pursuant to the Plan shall be governed by, and construed and enforced in accordance with, applicable federal law, including the Bankruptcy Code and the Bankruptcy Rules, or, if no rule of law or procedure is supplied by federal law (including the Bankruptcy Code and the Bankruptcy Rules) or otherwise specifically stated, the laws of the State of New York, without giving effect to the principles of conflict of laws; (10) captions and headings to Articles are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan; (11) unless otherwise specified herein, the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; (12) all references to docket numbers of documents Filed in the Chapter 11 Cases are references to the docket numbers under the Bankruptcy Court's CM/ECF system; (13) all references to statutes, regulations, orders, rules of courts, and the like shall mean as amended from time to time, and as applicable to the Chapter 11 Cases, unless otherwise stated; (14) any effectuating provisions may be interpreted by the Debtors or Reorganized Debtors in such a manner that is consistent with the overall purpose and intent of the Plan all without further notice to or action, order, or approval of the Bankruptcy Court or any other Entity, and such interpretation shall be conclusive; (15) any references herein to the Effective Date shall mean the Effective Date or as soon as reasonably practicable thereafter; (16) all references herein to consent, acceptance, or approval shall be deemed to include the requirement that such consent, acceptance, or approval be evidenced by a writing, which may be conveyed by counsel for the respective parties that have such consent, acceptance, or approval rights, including by electronic mail; (17) any term used in capitalized form herein that is not otherwise defined but that is used in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be; (18) references to "shareholders," "directors," and/or "officers" shall also include "members" and/or "managers," as applicable, as such terms are defined under the applicable state limited liability company laws; and (19) except as otherwise specifically provided in the Plan to the contrary, references in the Plan to the Debtors or the Reorganized Debtors shall mean the Debtors and the Reorganized Debtors, as applicable, to the extent the context requires.

C. Computation of Time

Unless otherwise specifically stated herein, the provisions of Bankruptcy Rule 9006(a) shall apply in computing any period of time prescribed or allowed herein. If the date on which a transaction may occur pursuant to the Plan shall occur on a day that is not a Business Day, then such transaction shall instead occur on the next succeeding Business Day.

D. Governing Law

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) or unless otherwise specifically stated herein, the laws of the State of New York, without giving effect to the principles of conflict of laws, shall govern the rights, obligations, construction, and implementation of the Plan, any agreements, documents, instruments, or contracts executed or entered into in connection with the Plan (except as otherwise set forth in those agreements, in which case the governing law of such agreement shall control); *provided, however,* that corporate or limited liability company governance matters relating to the Debtors or the Reorganized Debtors, as applicable, not incorporated in New York shall be governed by the laws of the state of incorporation or formation of the applicable Debtor or the Reorganized Debtors, as applicable.

E. Reference to Monetary Figures

All references in the Plan to monetary figures shall refer to currency of the United States of America, unless otherwise expressly provided.

F. Non-Consolidated Plan

Although for purposes of administrative convenience and efficiency the Plan has been filed as a joint plan that addresses the reorganization of each of the Debtors and presents together Classes of Claims against, and Interests in, the Debtors, the Plan does not provide for the substantive consolidation of any of the Debtors and the Plan is a separate Plan for each Debtor.

ARTICLE II.
ADMINISTRATIVE CLAIMS, DIP CLAIMS AND PRIORITY TAX CLAIMS

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, Professional Fee Claims, DIP Claims, and Priority Tax Claims have not been classified and, thus, are excluded from the Classes of Claims and Interests set forth in Article III.

A. Administrative Claims

Unless otherwise agreed to by the Holder of an Allowed Administrative Claim and the Debtors or the Reorganized Debtors, as applicable, to the extent an Allowed Administrative Claim has not already been paid in full or otherwise satisfied during the Chapter 11 Cases, each Holder of an Allowed Administrative Claim (other than Holders of Professional Fee Claims) will receive in full and final satisfaction of its Allowed Administrative Claim an amount of Cash equal to the amount of the unpaid portion of such Allowed Administrative Claim in accordance with the following: (1) if such Administrative Claim is Allowed on or prior to the Effective Date, no later than 30 days after the Effective Date or as soon as reasonably practicable thereafter (or, if not then due, when such Allowed Administrative Claim is due or as soon as reasonably practicable thereafter); (2) if such Administrative Claim is not Allowed as of the Effective Date, no later than 30 days after the date on which an order Allowing such Administrative Claim becomes a Final Order, or as soon as reasonably practicable thereafter; (3) if such Allowed Administrative Claim is based on liabilities incurred by the Debtors in the ordinary course of their business after the Petition Date, in accordance with the terms and conditions of the particular transaction or course of business giving rise to such Allowed Administrative Claim, without any further action by the Holder of such Allowed Administrative Claim; (4) at such time and upon such terms as may be agreed upon by the Holder of such Allowed Administrative Claim and the Debtors or the Reorganized Debtors, as applicable; or (5) at such time and upon such terms as set forth in a Final Order of the Bankruptcy Court.

Except for Professional Fee Claims and DIP Claims (which are addressed in Article II.B and Article II.C, respectively), and unless previously Filed, requests for payment of Administrative Claims must be Filed and served on the Reorganized Debtors no later than the Administrative Claim Bar Date pursuant to the procedures specified in the Confirmation Order and the notice of entry of the Confirmation Order. Objections to such requests must be Filed and served on the Reorganized Debtors (if the Reorganized Debtors are not the objecting party) and the requesting party on or before the Administrative Claim Objection Bar Date. After notice and a hearing in accordance with the

procedures established by the Bankruptcy Code, the Bankruptcy Rules, and prior Bankruptcy Court orders, the Allowed amounts, if any, of Administrative Claims shall be determined by, and satisfied in accordance with, an order of the Bankruptcy Court that becomes a Final Order.

Except for Professional Fee Claims and DIP Claims, Holders of Administrative Claims that are required to File and serve a request for payment of such Administrative Claims that do not file and serve such a request on or before the Administrative Claim Bar Date shall be forever barred, estopped, and enjoined from asserting such Administrative Claims against the Debtors, the Reorganized Debtors, the Estates, or the property of any of the foregoing, and such Administrative Claims shall be deemed discharged as of the Effective Date without the need for any objection from the Reorganized Debtors or any notice to or action, order, or approval of the Bankruptcy Court or any other Entity.

B. Professional Fee Claims

1. Final Fee Applications and Payment of Professional Fee Claims

All final requests for payment of Professional Fee Claims for services rendered and reimbursement of expenses incurred prior to the Confirmation Date must be Filed no later than 30 days after the Effective Date. The Bankruptcy Court shall determine the Allowed amounts of such Professional Fee Claims after notice and a hearing in accordance with the procedures established by the Bankruptcy Code, Bankruptcy Rules, and prior Bankruptcy Court orders. The Reorganized Debtors shall pay the amount of the Allowed Professional Fee Claims owing to the Professionals in Cash to such Professionals, including from funds held in the Professional Fee Escrow Account when such Professional Fee Claims are Allowed by entry of an order of the Bankruptcy Court.

2. Professional Fee Escrow Account

As soon as is reasonably practicable after the Confirmation Date and no later than the Effective Date, the Debtors shall establish and fund the Professional Fee Escrow Account with Cash equal to the Professional Fee Escrow Amount. The Professional Fee Escrow Account shall be maintained in trust solely for the Professionals and for no other Entities until all Professional Fee Claims Allowed by the Bankruptcy Court have been irrevocably paid in full to the Professionals pursuant to one or more Final Orders of the Bankruptcy Court. No Liens, claims, or interests shall encumber the Professional Fee Escrow Account or Cash held in the Professional Fee Escrow Account in any way. Funds held in the Professional Fee Escrow Account shall not be considered property of the Estates, the Debtors, or the Reorganized Debtors.

The amount of Professional Fee Claims owing to the Professionals shall be paid in Cash to such Professionals by the Debtors or the Reorganized Debtors, as applicable, from the funds held in the Professional Fee Escrow Account as soon as reasonably practicable after such Professional Fee Claims are Allowed by an order of the Bankruptcy Court; *provided* that the Debtors' and the Reorganized Debtors' obligations to pay Allowed Professional Fee Claims shall not be limited nor be deemed limited to funds held in the Professional Fee Escrow Account. When all Professional Fee Claims Allowed by the Bankruptcy Court have been irrevocably paid in full to the Professionals pursuant to one or more Final Orders of the Bankruptcy Court, any remaining funds held in the Professional Fee Escrow Account shall promptly be paid to the Reorganized Debtors without any further notice to or action, order, or approval of the Bankruptcy Court or any other Entity.

3. Professional Fee Escrow Amount

The Professionals shall provide a reasonable and good-faith estimate of their fees and expenses incurred in rendering services to the Debtors before and as of the Effective Date projected to be outstanding as of the Effective Date, and shall deliver such estimate to the Debtors no later than five days before the anticipated Effective Date; *provided*, *however*, that such estimate shall not be considered or deemed an admission or limitation with respect to the amount of the fees and expenses that are the subject of the Professional's final request for payment of Professional Fee Claims and such Professionals are not bound to any extent by the estimates. If a Professional does not provide an estimate, the Debtors may estimate the unpaid and unbilled fees and expenses of such Professional. The total aggregate amount so estimated as of the Effective Date shall be utilized by the Debtors to determine the amount to be

funded to the Professional Fee Escrow Account, *provided* that the Reorganized Debtors shall use Cash on hand to increase the amount of the Professional Fee Escrow Account to the extent fee applications are Filed after the Effective Date in excess of the amount held in the Professional Fee Escrow Account based on such estimates.

4. Post-Confirmation Fees and Expenses

Except as otherwise specifically provided in the Plan, from and after the Confirmation Date, the Debtors shall, in the ordinary course of business and without any further notice to or action, order, or approval of the Bankruptcy Court, pay in Cash the reasonable and documented legal, professional, or other fees and expenses related to implementation of the Plan and Consummation incurred by (a) the Debtors or the Reorganized Debtors after the Confirmation Date, and (b) the Committee after the Confirmation Date through and including the Effective Date, in the ordinary course of business. The Debtors and Reorganized Debtors, as applicable, shall pay within ten business days after submission of a detailed invoice to the Debtors or Reorganized Debtors, as applicable, such reasonable claims for compensation or reimbursement of expenses incurred by the Professionals of the Debtors and Reorganized Debtors, as applicable. If the Debtors or Reorganized Debtors, as applicable, dispute the reasonableness of any such invoice, the Debtors or Reorganized Debtors, as applicable, or the affected professional may submit such dispute to the Bankruptcy Court for a determination of the reasonableness of any such invoice, and the disputed portion of such invoice shall not be paid until the dispute is resolved. Upon the Confirmation Date, any requirement that Professionals comply with sections 327 through 331 and 1103 of the Bankruptcy Code or the Interim Compensation Order in seeking retention or compensation for services rendered after such date shall terminate, and the Debtors may employ and pay any Professional in the ordinary course of business without any further notice to or action, order, or approval of the Bankruptcy Court.

C. DIP Claims

As of the Effective Date, the DIP Claims shall be Allowed and deemed to be Allowed Claims in the full amount outstanding under the DIP Credit Agreements, including principal, interest, fees, costs, other charges, and expenses. Upon the indefeasible payment or satisfaction in full in Cash of the Allowed DIP Claims in accordance with the terms of this Plan, or other such treatment as contemplated by this Article II.C of the Plan, on the Effective Date all Liens and security interests granted to secure such obligations shall be automatically terminated and of no further force and effect without any further notice to or action, order, or approval of the Bankruptcy Court or any other Entity.

1. DIP ABL Claims

Except as set forth in Article II.C.2 and to the extent that a Holder of an Allowed DIP ABL Claim agrees to a less favorable treatment, in full and final satisfaction, compromise, settlement, release, and discharge of, and in exchange for, each Allowed DIP ABL Claim, each such Holder of an Allowed DIP ABL Claim shall receive on the Effective Date (a) payment in full in Cash of such Holder's Allowed DIP ABL Claim pursuant to the Payoff Letter or (b) at such Holder's election and agreement by the Debtors, such Holder's Pro Rata share of the Exit ABL Facility. Notwithstanding anything to the contrary in this Plan, the Reorganized Debtors shall be and remain bound by the indemnification and expense reimbursement provisions of the Payoff Letter in favor of the DIP ABL Agent and DIP ABL Lenders.

Pursuant to the DIP ABL Credit Agreement, all distributions pursuant to this Article II.C.1 shall be made to the DIP ABL Agent for distributions to the DIP ABL Lenders in accordance with the DIP ABL Credit Agreement and DIP ABL Loan Documents. The DIP ABL Agent shall hold or direct distributions for the benefit of the Holders of DIP ABL Claims. The DIP ABL Agent shall retain all rights as DIP ABL Agent under the DIP ABL Documents in connection with the delivery of the distributions to the DIP ABL Lenders. The DIP ABL Agent shall not have any liability to any person with respect to distributions made or directed to be made by such DIP ABL Agent, except for liability arising from gross negligence, willful misconduct, or actual fraud of the DIP Term Loan Agent. All cash distributions to be made hereunder to the DIP ABL Agent on account of the DIP ABL Claims shall be made by wire transfer.

2. Last Out DIP Loan Claims

If the Term Loan Lenders are the Winning Bidder, in full and final satisfaction, compromise, settlement, release, and discharge of, and in exchange for, each Allowed Last Out DIP Loan Claim, each such Holder of an Allowed Last Out DIP Loan Claim (or to the extent the Last Out Loans are not rolled into the Last Out DIP Loans, the Holders of Last Out Loans) shall, subject to the Last Out Loans Turnover, receive such Holder's Pro Rata share of the Exit ABL Facility on a last out basis (on terms reasonably acceptable to each Holder of an Allowed Last Out DIP Loan Claim (or Last Out Loans)). The Exit ABL Documents shall include provisions necessary to implement the Last Out Loans Turnover.

Subject to the Last Out Loans Turnover, if an Entity other than the Term Loan Lenders is the Winning Bidder, each Holder of an Allowed Last Out DIP Loan Claim (or to the extent the Last Out Loans are not rolled into the Last Out DIP Loans, the Holders of Last Out Loans) shall receive payments in accordance with the waterfall provisions of the DIP ABL Credit Agreement, the DIP Intercreditor Agreement, and the final DIP ABL Order and final DIP Term Loan Order.

3. DIP Term Loan Claims

Except to the extent that a Holder of an Allowed DIP Term Loan Claim agrees to a less favorable treatment, in full and final satisfaction, compromise, settlement, release, and discharge of, and in exchange for, each Allowed DIP Term Loan Claim, each such Holder of an Allowed DIP Term Loan Claim shall receive on the Effective Date either: (a) if an Entity other than the Term Loan Lenders is the Winning Bidder, (i) payment in full in Cash of such Holder's Allowed DIP Term Loan Claim, or (ii) at such Holder's election and agreement by the Debtors, such Holder's Pro Rata share of the Exit Term Loan Facility; or (b) if the Term Loan Lenders are the Winning Bidder, its Pro Rata share of (i) 37 percent of the New Interests outstanding on the Effective Date, subject to dilution for the Management Incentive Plan, and (ii) the DIP Term Loan Debt Consideration. The DIP Term Loan Claims shall be Allowed in the aggregate amount outstanding under the DIP Term Loan Credit Facility as of the Effective Date; *provided*, *however*, that the DIP Term Loan Claims in respect of contingent and unliquidated obligations of the Debtor under the DIP Term Loan Credit Agreement shall survive the Effective Date on an unsecured basis and shall not be discharged or released pursuant to the Plan or Confirmation Order, and shall be paid by the Reorganized Debtors as and when due under the DIP Term Loan Documents.

Pursuant to the DIP Term Loan Credit Agreement, all distributions pursuant to this Article II.C.3 shall be made to the DIP Term Loan Agent for distributions to the DIP Term Loan Lenders in accordance with the DIP Term Loan Credit Agreement and DIP Term Loan Documents. The DIP Term Loan Agent shall hold or direct distributions for the benefit of the Holders of DIP Term Loan Claims. The DIP Term Loan Agent shall retain all rights as DIP Term Loan Agent under the DIP Term Loan Documents in connection with the delivery of the distributions to the DIP Term Loan Lenders. The DIP Term Loan Agent shall not have any liability to any person with respect to distributions made or directed to be made by such DIP Term Loan Agent, except for liability arising from gross negligence, willful misconduct, or actual fraud of the DIP Term Loan Agent. All cash distributions to be made hereunder to the DIP Term Loan Agent on account of the DIP Term Loan Claims shall be made by wire transfer.

D. Priority Tax Claims

Except to the extent that a Holder of an Allowed Priority Tax Claim agrees to a less favorable treatment, in full and final satisfaction, compromise, settlement, release, and discharge of, and in exchange for, each Allowed Priority Tax Claim, each Holder of such Allowed Priority Tax Claim shall be treated in accordance with the terms set forth in section 1129(a)(9)(C) of the Bankruptcy Code.

ARTICLE III.
CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS

A. Classification of Claims and Interests

Except for the Claims addressed in Article II of the Plan, all Claims and Interests are classified in the Classes set forth in this Article III for all purposes, including voting, Confirmation, and distributions pursuant to the Plan and in accordance with section 1122 and 1123(a)(1) of the Bankruptcy Code. A Claim or an Interest is classified in a particular Class only to the extent that such Claim or Interest qualifies within the description of that Class and is classified in other Classes to the extent that any portion of such Claim or Interest qualifies within the description of such other Classes. A Claim or an Interest also is classified in a particular Class for the purpose of receiving distributions under the Plan only to the extent that such Claim or Interest is an Allowed Claim or Allowed Interest in that Class and has not been paid, released, or otherwise satisfied prior to the Effective Date.

The classification of Claims and Interests against each Debtor pursuant to the Plan is as set forth below. The Plan shall apply as a separate Plan for each of the Debtors, and the classification of Claims and Interests set forth herein shall apply separately to each of the Debtors. All of the potential Classes for the Debtors are set forth herein. Certain of the Debtors may not have Holders of Claims or Interests in a particular Class or Classes, and such Claims shall be treated as set forth in Article III.F hereof. For all purposes under the Plan, each Class will contain sub-Classes for each of the Debtors, except that Class 8 shall be vacant at each Debtor other than Dream II. Voting tabulations for recording acceptances or rejections of the Plan shall be conducted on a Debtor-by-Debtor basis as set forth above.

Class	Claim/Interest	Status	Voting Rights
1	Other Priority Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
2	Other Secured Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
3	Secured Tax Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
4	Term Loan Claims	Impaired	Entitled to Vote
5	General Unsecured Claims	Impaired	Entitled to Vote
6	Intercompany Claims	Impaired or Unimpaired	Not Entitled to Vote (Deemed to Reject)
7	Intercompany Interests	Impaired or Unimpaired	Not Entitled to Vote (Deemed to Accept or Reject)
8	Interests in Dream II	Impaired	Not Entitled to Vote (Deemed to Reject)
9	Section 510(b) Claims	Impaired	Not Entitled to Vote (Deemed to Reject)

B. Treatment of Claims and Interests

Subject to Article VI hereof, each Holder of an Allowed Claim or Allowed Interest, as applicable, shall receive under the Plan the treatment described below in full and final satisfaction, compromise, settlement, release, and discharge of, and in exchange for, such Holder's Allowed Claim or Allowed Interest, except to the extent different treatment is agreed to by the Debtors and the Holder of such Allowed Claim or Allowed Interest, as applicable. Unless otherwise indicated, the Holder of an Allowed Claim or Allowed Interest, as applicable, shall receive such treatment on the later of the Effective Date and the date such Holder's Claim or Interest becomes an Allowed Claim or Allowed Interest or as soon as reasonably practicable thereafter.

1. Class 1 – Other Priority Claims

(a) *Classification*: Class 1 consists of all Other Priority Claims.

(b) *Treatment*: Except to the extent that a Holder of an Allowed Other Priority Claim agrees to less favorable treatment, on the Effective Date, in full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for such Allowed Other Priority Claim, each Holder of an Allowed Other Priority Claim shall receive, at the option of the applicable Debtor or Reorganized Debtor:

(i) payment in full in Cash of the unpaid portion of its Other Priority Claim on the later of the Effective Date and such date such Other Priority Claim becomes an Allowed Other Priority Claim; or

(ii) such other treatment rendering such Holder's Allowed Other Priority Claim Unimpaired.

(c) *Voting*: Class 1 is Unimpaired under the Plan. Holders of Other Priority Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of an Other Priority Claims are not entitled to vote to accept or reject the Plan.

2. Class 2 – Other Secured Claims

(a) *Classification*: Class 2 consists of all Other Secured Claims.

(b) *Treatment*: Except to the extent that a Holder of an Allowed Other Secured Claim agrees to less favorable treatment, on the Effective Date, in full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for such Allowed Other Secured Claim, each Holder of an Allowed Other Secured Claim shall receive, at the option of the applicable Debtor or Reorganized Debtor:

(i) payment in full in Cash of such Holder's Allowed Other Secured Claim;

(ii) the collateral securing such Holder's Allowed Other Secured Claim;

(iii) Reinstatement of such Holder's Allowed Other Secured Claim; or

(iv) such other treatment rendering such Holder's Allowed Other Secured Claim Unimpaired.

(c) *Voting*: Class 2 is Unimpaired under the Plan. Holders of Other Secured Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of an Other Secured Claims are not entitled to vote to accept or reject the Plan.

3. Class 3 – Secured Tax Claims

(a) *Classification*: Class 3 consists of all Secured Tax Claims.

(b) *Treatment*: Except to the extent that a holder of an Allowed Secured Tax Claim and the applicable Debtor or Reorganized Debtor agree to a less favorable treatment, in full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for such Secured Tax Claim, each such holder shall receive, at the option of the applicable Debtor or Reorganized Debtor, as applicable:

(i) payment in full in Cash of the unpaid portion of such holder's Allowed Secured Tax Claim on the later of the Effective Date and such date such Secured Tax Claim becomes an Allowed Secured Tax Claim; or

(ii) equal semi-annual Cash payments commencing as of the Effective Date or as soon as reasonably practicable thereafter and continuing for five years from the Petition Date, in an aggregate amount equal to such Allowed Secured Tax Claim, together with interest at the applicable rate under non-bankruptcy law, subject to the option of the Reorganized Debtors to prepay the entire amount of such Allowed Secured Tax Claim during such time period.

(c) *Voting*: Class 3 is Unimpaired under the Plan. Each holder of a Secured Tax Claim is conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, each holder of a Secured Tax Claim is not entitled to vote to accept or reject the Plan.

4. Class 4 – Term Loan Claims

(a) *Classification*: Class 4 consists of all Term Loan Claims.

(b) *Treatment*: Except to the extent that a Holder of an Allowed Term Loan Claim agrees to less favorable treatment, on the Effective Date, in full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for such Allowed Term Loan Claim, each Holder of an Allowed Term Loan Claim shall receive either:

(i) if an Entity other than the Term Loan Lenders is the Winning Bidder, its Pro Rata share of the Term Loan Distributable Cash up to the full amount of such Holder's Allowed Term Loan Claim or such other treatment rendering such Holder's Allowed Term Loan Claim Unimpaired; or

(ii) if the Term Loan Lenders are the Winning Bidder, its Pro Rata share of 23 percent of the New Interests outstanding on the Effective Date, subject to dilution for the Management Incentive Plan.

(c) *Voting*: Class 4 is Impaired under the Plan. Holders of Term Loan Claims are entitled to vote to accept or reject the Plan.

5. Class 5 – General Unsecured Claims

(a) *Classification*: Class 5 consists of all General Unsecured Claims.

(b) *Treatment*: Except to the extent that a Holder of an Allowed General Unsecured Claim agrees to less favorable treatment, on the Effective Date, in full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for such Allowed General Unsecured Claim, each Holder of an Allowed General Unsecured Claim shall receive, up to the full amount of such Holder's Allowed General Unsecured Claim:

(i) its Pro Rata share of the Last Out Loans Turnover Amount;

(ii) its Pro Rata share of the Commercial Tort Proceeds, if any; and

(iii) either:

a. if the Term Loan Lenders are the Winning Bidder, its Pro Rata share of the

Future Sale Consideration, if any, *plus* either:

I. its Pro Rata share of the GUC Reorganization Recovery Pool; or

II. if the Holder is a Supporting Vendor, the Vendor Support Incentive (*provided* that no Holder that receives the Vendor Support Incentive shall receive such Holder's portion of the GUC Reorganization Recovery Pool); or

b. if an Entity other than the Term Loan Lenders is the Winning Bidder, its Pro Rata share of the GUC Sale Transaction Recovery Pool and the Excess Distributable Cash.

(c) *Voting*: Class 5 is Impaired under the Plan. Holders of Allowed General Unsecured Claims are entitled to vote to accept or reject the Plan.

6. Class 6 – Intercompany Claims

(a) *Classification*: Class 6 consists of all Intercompany Claims.

(b) *Treatment*: *Treatment*: Intercompany Claims shall be, at the option of the Debtors, in consultation with the Term Loan Agent and the Required Term Lenders, either:

(i) Reinstated; or

(ii) cancelled and released without any distribution on account of such Claims.

(c) *Voting*: Class 6 is either Impaired or Unimpaired under the Plan. Holders of Intercompany Claims are either (i) conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code or (ii) presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of Intercompany Claims are not entitled to vote to accept or reject the Plan.

7. Class 7 – Intercompany Interests

(a) *Classification*: Class 7 consists of all Intercompany Interests.

(b) *Treatment*: Intercompany Interests shall be, at the option of the Debtors, in consultation with the Term Loan Agent and the Required Term Lenders, either:

(i) Reinstated in accordance with Article III.G of the Plan; or

(ii) cancelled and released without any distribution on account of such Interests.

(c) Voting: Class 7 is Impaired or Unimpaired under the Plan. Holders of Intercompany Interests are either (i) conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code or (ii) presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of Intercompany Interests are not entitled to vote to accept or reject the Plan.

8. Class 8 – Interests in Dream II

(a) *Classification*: Class 8 consists of all Interests in Dream II.

(b) *Treatment*: On the Effective Date, all Interests in Dream II will be cancelled, released, and extinguished, and will be of no further force or effect.

(c) *Voting*: Class 8 is Impaired under the Plan. Holders of Interests in Dream II are conclusively presumed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, Holders of Interest in Dream II are not entitled to vote to accept or reject the Plan.

9. Class 9 – Section 510(b) Claims

(a) *Classification*: Class 9 consists of all Section 510(b) Claims.

(b) *Allowance*: Notwithstanding anything to the contrary herein, a Section 510(b) Claim, if any such Claim exists, may only become Allowed by Final Order of the Bankruptcy Court. The Debtors are not aware of any valid Section 510(b) Claim and believe that no such Section 510(b) Claim exists.

(c) *Treatment*: Allowed Section 510(b) Claims, if any, shall be discharged, cancelled, released, and extinguished as of the Effective Date, and will be of no further force or effect, and holders of Allowed Section 510(b) Claims will not receive any distribution on account of such Allowed Section 510(b) Claims.

(d) *Voting*: Class 9 is Impaired under the Plan. Holders (if any) of Section 510(b) Claims are conclusively deemed to have rejected the Plan under section 1126(g) of the Bankruptcy Code. Therefore, Holders (if any) of 510(b) Claims are not entitled to vote to accept or reject the Plan.

C. Special Provision Governing Unimpaired Claims

Except as otherwise provided in the Plan, nothing under the Plan shall affect the Debtors' rights in respect of any Claims that are Unimpaired, including all rights in respect of legal and equitable defenses to or setoffs or recoupments against any such Claims that are Unimpaired. Unless otherwise Allowed, Claims that are Unimpaired shall remain Disputed Claims under the Plan.

D. Confirmation Pursuant to Sections 1129(a)(10) and 1129(b) of the Bankruptcy Code

Section 1129(a)(10) of the Bankruptcy Code shall be satisfied for purposes of Confirmation by acceptance of the Plan by at least one Impaired Class of Claims. The Debtors shall seek Confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code with respect to any rejecting Class of Claims or Interests. The Debtors reserve the right to modify the Plan in accordance with Article X of the Plan to the extent, if any, that Confirmation pursuant to section 1129(b) of the Bankruptcy Code requires modification, including by modifying the treatment applicable to a Class of Claims or Interests to render such Class of Claims or Interests Unimpaired to the extent permitted by the Bankruptcy Code and the Bankruptcy Rules.

E. Subordinated Claims

Except as expressly provided herein, the allowance, classification, and treatment of all Allowed Claims and Interests and the respective distributions and treatments under the Plan take into account and conform to the relative priority and rights of the Claims and Interests in each Class in connection with any contractual, legal, and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, section 510(b) of the Bankruptcy Code, or otherwise. Pursuant to section 510 of the Bankruptcy Code, the Debtors and the Reorganized Debtors reserve the right to reclassify any Allowed Claim or Interest in accordance with any contractual, legal, or equitable subordination relating thereto.

F. Elimination of Vacant Classes; Presumed Acceptance by Non-Voting Classes

Any Class of Claims or Interests that does not have a Holder of an Allowed Claim or Allowed Interest or a Claim or Interest temporarily Allowed by the Bankruptcy Court in an amount greater than zero as of the date of the Confirmation Hearing shall be considered vacant and deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code.

If a Class contains Claims or Interests eligible to vote and no Holders of Claims or Interests eligible to vote in such Class vote to accept or reject the Plan, the Holders of such Claims or Interests in such Class shall be deemed to have accepted the Plan.

G. Intercompany Interests

To the extent Reinstated under the Plan, distributions on account of Intercompany Interests are not being received by Holders of such Intercompany Interests on account of their Intercompany Interests but for the purposes of administrative convenience, for the ultimate benefit of the Holders of the New Interests, and in exchange for the Debtors' and Reorganized Debtors' agreement under the Plan to provide management services to certain other Debtors and Reorganized Debtors, to use certain funds and assets as set forth in the Plan to make certain distributions and satisfy certain obligations of certain other Debtors and Reorganized Debtors to the Holders of certain Allowed Claims. For the avoidance of doubt, any Interest in non-Debtor subsidiaries owned by a Debtor shall continue to be owned by the applicable Reorganized Debtor.

H. Controversy Concerning Impairment

If a controversy arises as to whether any Claims or Interests, or any Class of Claims or Interests, are Impaired, the Bankruptcy Court shall, after notice and a hearing, determine such controversy on or before the Confirmation Date.

ARTICLE IV.
MEANS FOR IMPLEMENTATION OF THE PLAN

A. General Settlement of Claims and Interests

As discussed in the Disclosure Statement and as otherwise provided herein, pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and applicable, law, and in consideration for the classification, distributions, releases, and other benefits provided under the Plan, including (1) the Debtors' agreement to (A) provide an additional Vendor Support Incentive to Supporting Vendors, (B) turnover any Commercial Tort Proceeds for the benefit of the Holders of General Unsecured Claims, and (C) waive Avoidance Actions, (2) the Term Loan Lenders' agreement to (A) in the event that the Term Loan Lenders are the Winning Bidder, consent to the Debtors' funding of the GUC Reorganization Recovery Pool and the Reorganized Debtors' funding the Future Sale Consideration (as applicable), (B) in the event there is a Sale Transaction, consent to the Debtors' funding of the GUC Sale Transaction Recovery Pool, and (C) subject to the occurrence of the Effective Date, forgo any Term Loan Deficiency Claim, (3) the Sponsor's agreement to fund the Last Out Loans Turnover Amount, and (4) the Committee's agreement to (A) support and take, and refrain from taking, actions set forth in the RSA, including taking those actions necessary to obtain Bankruptcy Court approval of the Plan and Disclosure Statement, and (B) abide by the Committee Monthly Fee Cap, upon the Effective Date, the provisions of the Plan shall constitute and be deemed a good-faith compromise and settlement of all Claims, Interests, Causes of Action, and controversies released, settled, compromised, discharged, or otherwise resolved pursuant to the Plan, including (1) any challenge to the amount, validity, perfection, enforceability, priority, or extent of all Term Loan Claims, DIP Claims, and all ABL Claims (including any liens related to the foregoing), (2) any Avoidance Actions, and (3) any claims or Causes of Action against the Holders of Term Loan Claims, DIP Claims, ABL Claims, or Interests. The Plan shall be deemed a motion to approve the Plan Settlement pursuant to Bankruptcy Rule 9019, and the entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of such compromise and settlement under section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, as well as a finding by the Bankruptcy Court that such settlement and compromise is fair, equitable,

reasonable, and in the best interests of the Debtors and their Estates. Subject to Article VI hereof, all distributions made to Holders of Allowed Claims and Allowed Interests, as applicable, in any Class are intended to be and shall be final.

B. Restructuring Transactions

On the Effective Date, the applicable Debtors or the Reorganized Debtors shall enter into any transaction and shall take any actions as may be necessary or appropriate to effect a corporate restructuring of their respective businesses or a corporate restructuring of the overall corporate structure of the Debtors on the terms set forth in the Plan, including, as applicable, entry into the Exit Facilities, entry into the New Organizational Documents, consummation of the Sale Transaction in the event that the Winning Bidder is an Entity other than the Term Loan Lenders, the issuance of all securities, notes, instruments, certificates, and other documents required to be issued pursuant to the Plan, and/or the entry into one or more intercompany mergers, consolidations, amalgamations, arrangements, continuances, restructurings, conversions, dispositions, dissolutions, transfers, liquidations, spinoffs, intercompany sales, purchases, or other corporate transactions with the reasonable consent of the Term Loan Agent and the Required Term Lenders. The actions to implement the Restructuring Transactions may include: (1) the execution and delivery of appropriate agreements or other documents of merger, consolidation, amalgamation, arrangement, continuance, restructuring, conversion, disposition, dissolution, transfer, liquidation, spinoff, sale, or purchase containing terms that are consistent with the terms of the Plan and that satisfy the applicable requirements of applicable law and any other terms to which the applicable Entities may agree; (2) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any asset, property, right, liability, debt, or obligation on terms consistent with the terms of the Plan and having other terms for which the applicable Entities agree; (3) the filing of appropriate certificates or articles of incorporation, reincorporation, formation, merger, consolidation, conversion, amalgamation, arrangement, continuance, or dissolution pursuant to applicable state or provincial law; and (4) all other actions that the applicable Entities determine to be necessary or appropriate, including making filings or recordings that may be required by applicable law in connection with the Plan.

C. Reorganized Debtors

On the Effective Date, the New Board shall be established, and the Reorganized Debtors shall adopt the New Organizational Documents. The Reorganized Debtors shall be authorized to implement the Restructuring Transactions and adopt any other agreements, documents, and instruments and to take any other actions contemplated under the Plan as necessary or desirable to consummate the Plan, which actions, regardless of whether taken before, on, or after the Effective Date, shall be deemed to constitute a Restructuring Transaction.

D. Sources of Consideration for Plan Distributions

The Reorganized Debtors will fund distributions under the Plan with Cash held on the Effective Date by or for the benefit of the Debtors or Reorganized Debtors, including Cash from operations, as well as the following sources of consideration.

1. Exit Facilities

On the Effective Date, the Reorganized Debtors shall execute and deliver the Exit Facility Documents to the applicable Exit Facility Administrative Agent and such documents shall become effective in accordance with their terms. On and after the Effective Date, the Exit Facility Documents shall constitute legal, valid, and binding obligations of the Reorganized Debtors and be enforceable in accordance with their respective terms.

The Exit Facilities shall consist of the Exit ABL Facility and the Exit Term Loan Facility. On the Effective Date, the Exit Term Loan Lenders shall fund the Exit Term Loan Facility and the Exit ABL Lenders shall fund the Exit ABL Facility. If the Term Loan Lenders are the Winning Bidder, in exchange for the commitment to fund the Exit Term Loan Facility, each Exit Term Loan Lender shall receive its Pro Rata share of 40 percent of the New Interests outstanding on the Effective Date, subject to dilution for the Management Incentive Plan, and such other consideration as set forth in the Exit Facility Documents.

The terms for the Exit Facilities will be determined in accordance with the Reorganized Debtors' contemplated post-Effective Date business plan following and depending on the results of the Auction (which may contemplate the continued ownership or operation of all or only some of the Debtors' assets), and any documentation necessary to implement the Exit Facilities will be included in the Plan Supplement. The Reorganized Debtors shall use proceeds of the Exit Facilities, as applicable, to fund ongoing operations and distributions under the Plan and to satisfy other Cash obligations under the Plan.

Confirmation shall be deemed approval of the Exit Facility Documents (including the transactions and fees contemplated thereby, and all actions to be taken, undertakings to be made, and obligations and guarantees to be incurred and fees paid in connection therewith), and, to the extent not approved by the Bankruptcy Court previously, the Reorganized Debtors will be authorized to execute and deliver any and all documents necessary or appropriate to obtain and enter into the Exit ABL Facility and the Exit Term Loan Facility, including the entry into the Exit Facility Documents, without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order or rule or vote, consent, authorization, or approval of any Person, subject to such modifications as the Debtors or Reorganized Debtors, with the reasonable consent of the Exit Term Loan Lenders, may deem to be necessary to consummate the Exit ABL Facility and the Exit Term Loan Facility.

2. Issuance of the New Interests

All existing Interests in Dream II shall be automatically cancelled on the Effective Date and the Reorganized Debtors shall issue the New Interests to Entities entitled to receive the New Interests pursuant to the Plan. The issuance of the New Interests is authorized without the need for any further corporate action and without any further action by the Holders of Claims or Interests or the Debtors or the Reorganized Debtors, as applicable. The New Organizational Documents, as applicable, shall authorize the issuance and distribution on the Effective Date of the New Interests to the Disbursing Agent for the benefit of Entities entitled to receive the New Interests pursuant to the Plan. All of the New Interests issued under the Plan shall be duly authorized, validly issued, fully paid, and non-assessable. Each distribution and issuance of the New Interests under the Plan shall be governed by the terms and conditions set forth in the Plan applicable to such distribution or issuance and by the terms and conditions of the instruments evidencing or relating to such distribution or issuance, which terms and conditions shall bind each Entity receiving such distribution or issuance. Any Entity's acceptance of New Interests shall be deemed as its agreement to the New Organizational Documents, as the same be amended or modified from time to time following the Effective Date in accordance with their terms. The New Interests will not be registered on any exchange as of the Effective Date.

3. Last Out Loans Turnover

The Sponsor shall cause to be delivered the Last Out Loans Turnover Amount to fund recoveries for the Holders of General Unsecured Claims. In a Sale Transaction, the Last Out Loans Turnover Amount shall be funded solely from the Cash proceeds, if any, received by the Sponsor on account of the Last Out DIP Loan Claims. If the Term Loan Lenders are the Winning Bidder and the Last Out DIP Loans are rolled into the Exit ABL Facility, the Sponsor (or its affiliated Entities) will fund the Last Out Loans Turnover Amount solely from the Cash proceeds it ultimately receives on account of the Last Out DIP Loans that have been converted into such Exit ABL Facility (in either case solely through a future pay down of such loans or from future proceeds the Sponsor (or its affiliated Entities) receives in the event of a sale of all or a portion of such loans following the Effective Date).

E. Sale Transaction

Continuing after the Petition Date, the Debtors will conduct a marketing and Auction process of some or all of the Debtors' assets in accordance with the Bidding Procedures to determine the Winning Bidder. The Bidding Procedures will set forth the terms of an Initial Minimum Overbid, will provide that all bids for the ABL Priority Collateral must be in cash unless otherwise agreed by the DIP ABL Agent (with respect to the ABL Priority Collateral), and will provide that any bids placed by any of the DIP Agents or the Prepetition Agents must be in accordance with the DIP Intercreditor Agreement. The Debtors will seek to elicit a higher or better Sale Transaction offer, if any, pursuant to the process set forth in the Bidding Procedures. If no Entity submits an Initial Minimum Overbid, the Term Loan Lenders will be deemed the Winning Bidder for purposes of the Plan, and the Debtors will seek Confirmation of the Plan as contemplated herein. If the Debtors are able to secure a higher or otherwise better offer in accordance with the Bidding Procedures, and the Winning Bidder is an Entity other than the Term Loan

Lenders, Holders of Term Loan Claims will be paid the Term Loan Distributable Cash as set forth in Article III of the Plan and the Sale Transaction will be consummated pursuant to the Plan in accordance with terms to be set forth in the Confirmation Order and Plan Supplement, as applicable. If the Debtors are unable to secure such higher or otherwise better offer at the conclusion of the marketing and Auction process contemplated by the Bidding Procedures, the Term Loan Lenders will be deemed to be the Winning Bidder for purposes of the Plan, and the Debtors will seek Confirmation of the Plan as contemplated herein.

F. Term Loan Deficiency Claim Waiver

The Holders of Term Loan Deficiency Claims shall not receive any distribution on account of such Claims and, subject to the occurrence of the Effective Date, such Term Loan Deficiency Claims shall be deemed waived.

G. Avoidance Actions Waiver

The Debtors and the Reorganized Debtors waive all Avoidance Actions.

H. Corporate Existence

Except as otherwise provided in the Plan, on and after the Effective Date, each Debtor shall continue to exist as a Reorganized Debtors and as a separate corporation, limited liability company, partnership, or other form of entity, as the case may be, with all the powers of a corporation, limited liability company, partnership, or other form of entity, as the case may be, pursuant to the applicable law in the jurisdiction in which each applicable Debtor is incorporated or formed and pursuant to the respective certificate of incorporation and bylaws (or other similar formation and governance documents) in effect prior to the Effective Date, except to the extent such certificate of incorporation and bylaws (or other similar formation and governance documents) are amended under the Plan or otherwise, and to the extent such documents are amended, such documents are deemed to be amended pursuant to the Plan and require no further action or approval (other than any requisite filings required under applicable state, provincial, or federal law).

I. Vesting of Assets in the Reorganized Debtors

Except as otherwise provided in the Plan or any agreement, instrument, or other document incorporated in the Plan, on the Effective Date, all property in each Estate (including Interests held by the Debtors in non-Debtor subsidiaries), all Causes of Action (other than Avoidance Actions), all Executory Contracts and Unexpired Leases assumed by any of the Debtors, and any property acquired by any of the Debtors pursuant to the Plan shall vest in each respective Reorganized Debtor, free and clear of all Liens, Claims, charges, or other encumbrances. On and after the Effective Date, except as otherwise provided in the Plan, each Reorganized Debtor may operate its business and may use, acquire, or dispose of property and compromise or settle any Claims, Interests, or Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

J. Cancellation of Existing Securities and Agreements

On the Effective Date, except as otherwise specifically provided for in the Plan: (1) the obligations of the Debtors under the ABL Credit Agreement, the Term Loan Credit Agreement, and any other certificate, Security, share, note, bond, indenture, purchase right, option, warrant, or other instrument or document directly or indirectly evidencing or creating any indebtedness or obligation of or ownership interest in the Debtors or giving rise to any Claim or Interest (except such certificates, notes, or other instruments or documents evidencing indebtedness or obligation of or ownership interest in the Debtors that are Reinstated pursuant to the Plan) shall be cancelled solely as to the Debtors and their Affiliates, and the Reorganized Debtors shall not have any continuing obligations thereunder; and (2) the obligations of the Debtors and their Affiliates pursuant, relating, or pertaining to any agreements, indentures, certificates of designation, bylaws, or certificate or articles of incorporation or similar documents governing the shares, certificates, notes, bonds, indentures, purchase rights, options, warrants, or other instruments or documents evidencing or creating any indebtedness or obligation of or ownership interest in the Debtors (except such agreements, certificates, notes, or other instruments evidencing indebtedness or obligation of or ownership interest in the Debtors that are specifically Reinstated pursuant to the Plan) shall be released and discharged. Notwithstanding

the foregoing, no executory contract or unexpired lease (i) that has been, or will be, assumed pursuant to section 365 of the Bankruptcy Code or (ii) relating to a Claim that was paid in full prior to the Effective Date, shall be terminated or cancelled on the Effective Date, except that (a) the ABL Credit Agreement and Term Loan Credit Agreement shall continue in effect solely for the purpose of (I) allowing Holders of the ABL Claims and Term Loan Claims, as applicable, to receive the distributions provided for under the Plan, (II) allowing the ABL Agent and Term Loan Agent to receive or direct distributions from the Debtors and to make further distributions to the Holders of such Claims on account of such Claims, as set forth in Article VI.A of the Plan, and (III) preserving the ABL Agent's and Term Loan Agent's right to indemnification pursuant and subject to the terms of the ABL Credit Agreement and Term Loan Credit Agreement in respect of any Claim or Cause of Action asserted against the ABL Agent or Term Loan Agent, as applicable, *provided* that any Claim or right to payment on account of such indemnification shall be an Administrative Claim, and (b) the foregoing shall not affect the cancellation of shares issued pursuant to the Plan nor Intercompany Interests, which shall be treated as set forth in Article III.B.8.

K. Corporate Action

Upon the Effective Date, all actions contemplated under the Plan, regardless of whether taken before, on, or after the Effective Date, shall be deemed authorized and approved in all respects, including: (1) selection of the directors and officers for the Reorganized Debtors, if applicable; (2) the issuance of the New Interests, if applicable; (3) implementation of the Restructuring Transactions, if applicable; (4) consummation of the Sale Transaction, if applicable; (5) execution of the Exit ABL Credit Agreement, Exit Term Loan Credit Agreement, and any and all other agreements, documents, securities, and instruments relating thereto, if applicable; (6) the entry into the Payoff Letter with respect to the DIP ABL Claims; and (7) all other actions contemplated under the Plan (whether to occur before, on, or after the Effective Date). All matters provided for in the Plan or deemed necessary or desirable by the Debtors before, on, or after the Effective Date involving the corporate structure of the Debtors or the Reorganized Debtors, and any corporate action required by the Debtors or the Reorganized Debtors in connection with the Plan or corporate structure of the Debtors or Reorganized Debtors shall be deemed to have occurred and shall be in effect on the Effective Date, without any requirement of further action by the security holders, directors, managers, or officers of the Debtors or the Reorganized Debtors. Before, on, or after the Effective Date, the appropriate officers of the Debtors or the Reorganized Debtors, as applicable, shall be authorized to issue, execute, and deliver the agreements, documents, securities, and instruments contemplated under the Plan (or necessary or desirable to effect the transactions contemplated under the Plan) in the name of and on behalf of the Reorganized Debtors, to the extent not previously authorized by the Bankruptcy Court. The authorizations and approvals contemplated by this Article IV.I shall be effective notwithstanding any requirements under non-bankruptcy law.

L. New Organizational Documents

On or immediately prior to the Effective Date, the New Organizational Documents shall be amended as necessary to effectuate the transactions contemplated by the Plan in a manner reasonably acceptable to the Term Loan Agent and the Required Term Lenders. Each of the Reorganized Debtors will file its New Organizational Documents with the applicable Secretaries of State and/or other applicable authorities in its respective state, province, or country of incorporation in accordance with the corporate laws of the respective state, province, or country of incorporation. The New Organizational Documents will prohibit the issuance of non-voting equity securities, to the extent required under section 1123(a)(6) of the Bankruptcy Code.

M. Directors, Managers, and Officers of the Reorganized Debtors

As of the Effective Date, the term of the current members of the board of managers of the Debtors shall expire, and the initial boards of directors, including the New Board, and the officers of each of the Reorganized Debtors shall be appointed in accordance with the respective New Organizational Documents. Pursuant to section 1129(a)(5) of the Bankruptcy Code, the Debtors will disclose in advance of the Confirmation Hearing the identity and affiliations of any Person proposed to serve on the initial board of directors or be an officer of any of the Reorganized Debtors. To the extent any such director or officer of the Reorganized Debtors is an "insider" under the Bankruptcy Code, the Debtors also will disclose the nature of any compensation to be paid to such director or officer. Each such director and officer shall serve from and after the Effective Date pursuant to the terms of the New Organizational Documents and other constituent documents of the Reorganized Debtors.

N. Effectuating Documents; Further Transactions

On and after the Effective Date, the Reorganized Debtors, and the officers and members of the boards of directors or managers thereof, are authorized to and may issue, execute, deliver, file, or record such contracts, Securities, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of the Plan, the Restructuring Transactions, and the Securities issued pursuant to the Plan in the name of and on behalf of the Reorganized Debtors, without the need for any approvals, authorization, or consents except for those expressly required pursuant to the Plan.

O. Exemption from Securities Act Registration

Pursuant to section 1145 of the Bankruptcy Code and, to the extent that section 1145 of the Bankruptcy Code is inapplicable, section 4(a)(2) of the Securities Act, the issuance of the New Interests as contemplated by the Plan is exempt from, among other things, the registration requirements of section 5 of the Securities Act and any other applicable United States, state, or local law requiring registration for offer or sale of a security or registration or licensing of an issuer of, underwriter of, or broker or dealer in, a security. As long as the exemption to registration under section 1145 of the Bankruptcy Code is applicable, the New Interests are not "restricted securities" (as defined in rule 144(a)(3) under the Securities Act) and are freely tradable and transferable by any initial recipient thereof that (1) is not an "affiliate" of the Reorganized Debtors (as defined in rule 144(a)(1) under the Securities Act), (2) has not been such an "affiliate" within 90 days of such transfer, and (3) is not an entity that is an "underwriter" as defined in section 1145(b) of the Bankruptcy Code.

P. Exemption from Certain Taxes and Fees

To the fullest extent permitted by section 1146(a) of the Bankruptcy Code and applicable law, any transfers (whether from a Debtor to a Reorganized Debtor or to any other Person) of property under the Plan or pursuant to (1) the issuance, distribution, transfer, or exchange of any debt, equity security, or other interest in the Debtors or the Reorganized Debtors, (2) the Restructuring Transactions, (3) the creation, modification, consolidation, termination, refinancing, and/or recording of any mortgage, deed of trust, or other security interest, or the securing of additional indebtedness by such or other means, (4) the making, assignment, or recording of any lease or sublease, (5) the grant of collateral as security for any or all of the Exit Facilities, as applicable, or (6) the making, delivery, or recording of any deed or other instrument of transfer under, in furtherance of, or in connection with, the Plan, including any deeds, bills of sale, assignments, or other instrument of transfer executed in connection with any transaction arising out of, contemplated by, or in any way related to the Plan (including the Sale Transaction, if applicable), shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, sale or use tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, regulatory filing or recording fee, or other similar tax or governmental assessment, and upon entry of the Confirmation Order, the appropriate state or local governmental officials or agents shall forgo the collection of any such tax or governmental assessment and accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax, recordation fee, or governmental assessment. All filing or recording officers (or any other Person with authority over any of the foregoing), wherever located and by whomever appointed, shall comply with the requirements of section 1146(c) of the Bankruptcy Code, shall forgo the collection of any such tax or governmental assessment, and shall accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

Q. Preservation of Causes of Action

In accordance with section 1123(b) of the Bankruptcy Code, but subject in all respects to this Article IV and Article VIII hereof, the Reorganized Debtors shall retain and may enforce all rights to commence and pursue, as appropriate, any and all Causes of Action, whether arising before or after the Petition Date, including any actions specifically enumerated in the Schedule of Retained Causes of Action and notwithstanding the rejection of any Executory Contract or Unexpired Lease during the Chapter 11 Cases or pursuant to the Plan, and the Reorganized Debtors' rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date, other than Avoidance Actions and the Causes of Action released by the Debtors pursuant to the releases and exculpations contained in the Plan, including in Article VIII, which shall be deemed released and waived by the Debtors and Reorganized Debtors as of the Effective Date; *provided* that Commercial Tort

Claims shall be preserved for the sole benefit of the Holders of General Unsecured Claims and only the Plan Administrator shall have an obligation to commence, prosecute, or settle such Commercial Tort Claims, if any.

The Reorganized Debtors may pursue such Causes of Action, as appropriate, in accordance with the best interests of the Reorganized Debtors. The applicable Reorganized Debtors, through their authorized agents or representatives, shall retain and may exclusively enforce any and all such Causes of Action. The Reorganized Debtors shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Causes of Action and to decline to do any of the foregoing without the consent or approval of any third party or further notice to or action, order, or approval of the Bankruptcy Court.

No Entity may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Cause of Action against it as any indication that the Debtors or the Reorganized Debtors, as applicable, will not pursue any and all available Causes of Action against it, except as otherwise expressly provided in the Plan, including this Article IV and Article VIII of the Plan. The Debtors or the Reorganized Debtors, as applicable, expressly reserve all rights to prosecute any and all Causes of Action against any Entity, except as otherwise expressly provided in the Plan, including this Article IV and Article VIII of the Plan. Unless any Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan or a Final Order, the Reorganized Debtors expressly reserve all Causes of Action, for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise), or laches, shall apply to such Causes of Action upon, after, or as a consequence of the Confirmation or Consummation.

ARTICLE V.
TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Assumption and Rejection of Executory Contracts and Unexpired Leases

On the Effective Date, except as otherwise provided herein, each Executory Contract or Unexpired Lease not previously assumed, assumed and assigned, or rejected shall be deemed automatically assumed by the applicable Reorganized Debtor in accordance with the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code, other than those that: (1) are identified on the Rejected Executory Contracts and Unexpired Leases Schedule; (2) previously expired or terminated pursuant to its own terms; (3) have been previously assumed or rejected by the Debtors pursuant to a Bankruptcy Court order; (4) are the subject of a motion to reject Executory Contracts or Unexpired Leases that is pending on the Effective Date; or (5) are subject to a motion to reject an Executory Contract or Unexpired Lease pursuant to which the requested effective date of such rejection is after the Effective Date.

Entry of the Confirmation Order shall constitute an order of the Bankruptcy Court approving, subject to and upon the occurrence of the Effective Date, the assumptions, assumptions and assignments, or rejections of the Executory Contracts and Unexpired Leases assumed or rejected pursuant to the Plan. Any motions to assume Executory Contracts or Unexpired Leases pending on the Effective Date shall be subject to approval by the Bankruptcy Court on or after the Effective Date by a Final Order but may be withdrawn, settled, or otherwise prosecuted by the Reorganized Debtors. Each Executory Contract and Unexpired Lease assumed pursuant to this Article V.A of the Plan or by any order of the Bankruptcy Court, which has not been assigned to a third party prior to the Effective Date, shall revest in and be fully enforceable by the Reorganized Debtors in accordance with its terms, except as such terms are modified by the provisions of the Plan or any order of the Bankruptcy Court authorizing and providing for its assumption under applicable federal law.

To the maximum extent permitted by law, to the extent any provision in any Executory Contract or Unexpired Lease assumed or assumed and assigned pursuant to the Plan restricts or prevents, or purports to restrict or prevent, or is breached or deemed breached by, the assumption or assumption and assignment of such Executory Contract or Unexpired Lease (including any "change of control" provision), then such provision shall be deemed modified such that the transactions contemplated by the Plan shall not entitle the non-Debtor party thereto to terminate such Executory Contract or Unexpired Lease or to exercise any other default-related rights with respect thereto.

B. Claims Based on Rejection of Executory Contracts or Unexpired Leases

Unless otherwise provided by a Final Order of the Bankruptcy Court, all Proofs of Claim with respect to Claims arising from the rejection of Executory Contracts or Unexpired Leases pursuant to the Plan or the Confirmation Order, if any, must be Filed with the Bankruptcy Court within 30 days after the later of (1) the date of entry of an order of the Bankruptcy Court (including the Confirmation Order) approving such rejection, (2) the effective date of such rejection, or (3) the Effective Date. **Any Claims arising from the rejection of an Executory Contract or Unexpired Lease not Filed with the Bankruptcy Court within such time will be automatically disallowed, forever barred from assertion, and shall not be enforceable against the Debtors, the Reorganized Debtors, the Estates, or their property of any of the foregoing parties without the need for any objection by the Reorganized Debtors or further notice to, or action, order, or approval of the Bankruptcy Court or any other Entity, and any Claim arising out of the rejection of the Executory Contract or Unexpired Lease shall be deemed fully satisfied, released, and discharged, notwithstanding anything in the Schedules or a Proof of Claim to the contrary.** Claims arising from the rejection of the Debtors' Executory Contracts or Unexpired Leases shall be classified as General Unsecured Claims and shall be treated in accordance with Article III.B and may be objected to in accordance with the provisions of Article VII of the Plan and the applicable provisions of the Bankruptcy Code and Bankruptcy Rules.

C. Cure of Defaults for Assumed Executory Contracts and Unexpired Leases

Any monetary defaults under each Executory Contract and Unexpired Lease to be assumed pursuant to the Plan shall be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, by payment of the default amount in Cash on the Effective Date or as soon as reasonably practicable thereafter, subject to the limitation described below, or on such other terms as the parties to such Executory Contracts or Unexpired Leases may otherwise agree. In the event of a dispute regarding (1) the amount of any payments to cure such a default, (2) the ability of the Reorganized Debtors or any assignee to provide "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code) under the Executory Contract or Unexpired Lease to be assumed, or (3) any other matter pertaining to assumption, the cure payments required by section 365(b)(1) of the Bankruptcy Code shall be made following the entry of a Final Order or orders resolving the dispute and approving the assumption. At least 21 days prior to the Confirmation Hearing, the Debtors shall provide for notices of proposed assumption and proposed cure amounts to be sent to applicable third parties and for procedures for objecting thereto and resolution of disputes by the Bankruptcy Court. Any objection by a counterparty to an Executory Contract or Unexpired Lease to a proposed assumption or related cure amount must be Filed, served, and actually received by the Debtors at least seven days prior to the Confirmation Hearing. Any counterparty to an Executory Contract or Unexpired Lease that fails to object timely to the proposed assumption or cure amount will be deemed to have assented to such assumption or cure amount.

Assumption of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall result in the full release and satisfaction of any Claims or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any assumed Executory Contract or Unexpired Lease at any time prior to the effective date of assumption. **Any Proofs of Claim Filed with respect to an Executory Contract or Unexpired Lease that has been assumed shall be deemed disallowed and expunged, without further notice to or action, order, or approval of the Bankruptcy Court.**

D. Preexisting Obligations to the Debtors under Executory Contracts and Unexpired Leases

Rejection of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall not constitute a termination of preexisting obligations owed to the Debtors or the Reorganized Debtors, as applicable, under such Executory Contracts or Unexpired Leases. In particular, notwithstanding any non-bankruptcy law to the contrary, the Reorganized Debtors expressly reserve and do not waive any right to receive, or any continuing obligation of a counterparty to provide, warranties or continued maintenance obligations on goods previously purchased by the Debtors contracting from non-Debtor counterparties to rejected Executory Contracts or Unexpired Leases.

E. Insurance Policies and Surety Bonds

Each of the Debtors' insurance policies and any agreements, documents, or instruments relating thereto, are treated as Executory Contracts under the Plan. Unless otherwise provided in the Plan, on the Effective Date, the Debtors shall be deemed to have assumed all insurance policies and any agreements, documents, and instruments relating to coverage of all insured Claims. Except as set forth in Article V.F of the Plan, nothing in this Plan, the Plan Supplement, the Disclosure Statement, the Confirmation Order, or any other order of the Bankruptcy Court (including any other provision that purports to be preemptory or supervening), (1) alters, modifies, or otherwise amends the terms and conditions of (or the coverage provided by) any of such insurance policies or (2) alters or modifies the duty, if any, that the insurers or third party administrators pay claims covered by such insurance policies and their right to seek payment or reimbursement from the Debtors (or after the Effective Date, the Reorganized Debtors) or draw on any collateral or security therefor. For the avoidance of doubt, insurers and third party administrators shall not need to nor be required to file or serve a cure objection or a request, application, claim, Proof of Claim, or motion for payment and shall not be subject to any claims bar date or similar deadline governing cure amounts or Claims.

Notwithstanding any other provision of the Plan, on the Effective Date, (1) all of the Debtors' obligations and commitments to any surety bond providers shall be deemed reaffirmed by the Reorganized Debtors, (2) surety bonds and related indemnification and collateral agreements entered into by any Debtor will be vested and performed by the applicable Reorganized Debtor and will survive and remain unaffected by entry of the Confirmation Order, and (3) the Reorganized Debtors shall be authorized to enter into new surety bond agreements and related indemnification and collateral agreements, or to modify any such existing agreements, in the ordinary course of business. The applicable Reorganized Debtors will continue to pay all premiums and other amounts due, including loss adjustment expenses, on the existing surety bonds as they become due prior to the execution and issuance of new surety bonds. Surety bond providers shall have the discretion to replace (or issue name-change riders with respect to) any existing surety bonds or related general agreements of indemnity with new surety bonds and related general agreements of indemnity on the same terms and conditions provided in the applicable existing surety bonds or related general agreements of indemnity.

F. Director, Officer, Manager, and Employee Liability Insurance

On or before the Effective Date, the Debtors, on behalf of the Reorganized Debtors, shall be authorized to and shall purchase and maintain directors, officers, managers, and employee liability tail coverage for the six-year period following the Effective Date for the benefit of the Debtors' current and former directors, managers, officers, and employees on terms no less favorable to such persons than their existing coverage under the D&O Liability Insurance Policies with available aggregate limits of liability upon the Effective Date of no less than the aggregate limit of liability under the existing D&O Liability Insurance Policies.

After the Effective Date, none of the Debtors or the Reorganized Debtors shall terminate or otherwise reduce the coverage under any such policies (including, if applicable, any "tail policy") with respect to conduct occurring on or prior to the Effective Date, and all officers, directors, managers, and employees of the Debtors who served in such capacity at any time before the Effective Date shall be entitled to the full benefits of any such policy for the full six-year term of such policy regardless of whether such officers, directors, managers, or employees remain in such positions after the Effective Date.

On and after the Effective Date, each of the Reorganized Debtors shall be authorized to purchase a directors' and officers' liability insurance policy for the benefit of their respective directors, members, trustees, officers, and managers in the ordinary course of business.

G. Indemnification Obligations

On and as of the Effective Date, the Indemnification Provisions will be assumed and irrevocable and will survive the effectiveness of the Plan, and the Reorganized Debtors' governance documents will provide for the indemnification, defense, reimbursement, exculpation, and/or limitation of liability of, and advancement of fees and expenses to the Debtors' and the Reorganized Debtors' current and former directors, officers, employees, and agents to the fullest extent permitted by law and at least to the same extent as the organizational documents of each of the respective Debtors on the Petition Date, against any claims or Causes of Action whether direct or derivative, liquidated

or unliquidated, fixed or contingent, disputed or undisputed, matured or unmatured, known or unknown, foreseen or unforeseen, asserted or unasserted. None of the Reorganized Debtors will amend and/or restate their respective governance documents before or after the Effective Date to terminate or adversely affect any of the Reorganized Debtors' obligations to provide such indemnification rights or such directors,' officers,' employees,' or agents' indemnification right.

On and as of the Effective Date, any of the Debtors' indemnification obligations with respect to any contract or agreement that is the subject of or related to any litigation against the Debtors or Reorganized Debtors, as applicable, shall be assumed by the Reorganized Debtors and otherwise remain unaffected by the Chapter 11 Cases.

H. Employee and Retiree Benefits

Unless otherwise provided herein, all employee wages, compensation, and benefit programs in place as of the Effective Date with the Debtors shall be assumed by the Reorganized Debtors and shall remain in place as of the Effective Date and, without limiting any authority provided to the board of directors or managers or members of the Reorganized Debtors under the Reorganized Debtors' respective formation and constituent documents, the Reorganized Debtors will continue to honor such agreements, arrangements, programs, and plans in the ordinary course of business. Notwithstanding the foregoing, pursuant to section 1129(a)(13) of the Bankruptcy Code, from and after the Effective Date, all retiree benefits (as such term is defined in section 1114 of the Bankruptcy Code), if any, shall continue to be paid in accordance with applicable law.

I. Collective Bargaining Agreements

The Collective Bargaining Agreements and any agreements, documents, or instruments relating thereto, is treated as and deemed to be an Executory Contract under the Plan. On the Effective Date, the Debtors shall be deemed to have assumed the Collective Bargaining Agreements and any agreements, documents, and instruments related thereto. All Proofs of Claim Filed for amounts due under the Collective Bargaining Agreements shall be considered satisfied by the agreement and obligation to assume and cure in the ordinary course as provided herein. On the Effective Date, any Proofs of Claim Filed with respect to the Collective Bargaining Agreements shall be deemed disallowed and expunged, without further notice to or action, order, or approval of the Bankruptcy Court.

J. Workers Compensation Program

As of the Effective Date, the Reorganized Debtors shall continue to honor their obligations under (1) all applicable workers' compensation laws in states in which the Reorganized Debtors operate, and (2) the Debtors' (a) written contracts, agreements, and agreements of indemnity, in each case relating to workers' compensation, (b) self-insurer workers' compensation bonds, policies, programs, and plans for workers' compensation, and (c) workers' compensation insurance. All Proofs of Claims on account of workers' compensation shall be deemed withdrawn automatically and without any further notice to or action, order, or approval of the Bankruptcy Court; *provided*, *however*, that nothing in the Plan shall limit, diminish, or otherwise alter the Debtors' or Reorganized Debtors' defenses, Causes of Action, or other rights under applicable non-bankruptcy law with respect to any such contracts, agreements, policies, programs and plans.

K. Modifications, Amendments, Supplements, Restatements, or Other Agreements

Unless otherwise provided in the Plan, each Executory Contract or Unexpired Lease that is assumed shall include all modifications, amendments, supplements, restatements, or other agreements that in any manner affect such Executory Contract or Unexpired Lease, and Executory Contracts and Unexpired Leases related thereto, if any, including easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal and any other interests, unless any of the foregoing agreements has been previously rejected or repudiated or is rejected or repudiated under the Plan.

Modifications, amendments, supplements, and restatements to prepetition Executory Contracts and Unexpired Leases that have been executed by the Debtors during the Chapter 11 Cases shall not be deemed to alter

the prepetition nature of the Executory Contract or Unexpired Lease, or the validity, priority, or amount of any Claims that may arise in connection therewith.

L. Reservation of Rights

Neither the exclusion nor inclusion of any Executory Contract or Unexpired Lease on the Schedule of Assumed Executory Contracts and Unexpired Leases or the Schedule of Rejected Executory Contracts and Unexpired Leases, nor anything contained in the Plan, shall constitute an admission by the Debtors that any such contract or lease is in fact an Executory Contract or Unexpired Lease or that any of the Reorganized Debtors has any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory at the time of assumption or rejection, the Debtors or the Reorganized Debtors, as applicable, shall have 30 days following entry of a Final Order resolving such dispute to alter its treatment of such contract or lease under the Plan.

M. Nonoccurrence of Effective Date

In the event that the Effective Date does not occur, the Bankruptcy Court shall retain jurisdiction with respect to any request to extend the deadline for assuming or rejecting Unexpired Leases pursuant to section 365(d)(4) of the Bankruptcy Code.

N. Contracts and Leases Entered Into After the Petition Date

Contracts and leases entered into after the Petition Date by any Debtor, including any Executory Contracts and Unexpired Leases assumed by such Debtor, will be performed by the applicable Debtor or the Reorganized Debtors liable thereunder in the ordinary course of their business. Accordingly, such contracts and leases (including any assumed Executory Contracts and Unexpired Leases) will survive and remain unaffected by entry of the Confirmation Order.

ARTICLE VI.
PROVISIONS GOVERNING DISTRIBUTIONS

A. Timing and Calculation of Amounts to Be Distributed

Unless otherwise provided in the Plan, on the Initial Distribution Date (or if a Claim is not an Allowed Claim or Allowed Interest on the Initial Distribution Date, on the next Quarterly Distribution Date after such Claim or Interest becomes an Allowed Claim or Allowed Interest, or as soon as reasonably practicable thereafter), or as soon as is reasonably practicable thereafter, each Holder of an Allowed Claim or Allowed Interests (as applicable) shall receive the full amount of the distributions that the Plan provides for Allowed Claims or Allowed Interests (as applicable) in the applicable Class. In the event that any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date. If and to the extent that there are Disputed Claims or Disputed Interests, distributions on account of any such Disputed Claims or Disputed Interests shall be made pursuant to the provisions set forth in Article VII hereof. Except as otherwise provided in the Plan, Holders of Claims or Interests shall not be entitled to interest, dividends, or accruals on the distributions provided for in the Plan, regardless of whether such distributions are delivered on or at any time after the Effective Date.

B. Distributions on Account of Obligations of Multiple Debtors

For all purposes associated with distributions under the Plan, all guarantees by any Debtor of the obligations of any other Debtor, as well as any joint and several liability of any Debtor with respect to any other Debtor, shall be deemed eliminated so that any obligation that could otherwise be asserted against more than one Debtor shall result in a single distribution under the Plan, *provided* that Claims held by a single entity at different Debtors that are not based on guarantees or joint and several liability shall be entitled to the applicable distribution for such Claim at each applicable Debtor. Any such Claims shall be released and discharged pursuant to Article VIII of the Plan and shall be subject to all potential objections, defenses, and counterclaims, and to estimation pursuant to section 502(c) of the

Bankruptcy Code. For the avoidance of doubt, this shall not affect the obligation of each and every Debtor to pay fees payable pursuant to section 1930(a) of the Judicial Code until such time as a particular Chapter 11 Case is closed, dismissed, or converted, whichever occurs first.

C. Disbursing Agent

Except as otherwise provided herein, distributions under the Plan shall be made by the Disbursing Agent. The Disbursing Agent shall not be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court. Additionally, in the event that the Disbursing Agent is so otherwise ordered, all costs and expenses of procuring any such bond or surety shall be borne by the Reorganized Debtors.

D. Rights and Powers of Disbursing Agent

1. Powers of the Disbursing Agent

The Disbursing Agent shall be empowered to: (a) effect all actions and execute all agreements, instruments, and other documents necessary to perform its duties under the Plan; (b) make all distributions contemplated hereby; (c) employ professionals to represent it with respect to its responsibilities; and (d) exercise such other powers as may be vested in the Disbursing Agent by order of the Bankruptcy Court, pursuant to the Plan, or as deemed by the Disbursing Agent to be necessary and proper to implement the provisions hereof.

2. Expenses Incurred On or After the Effective Date

Except as otherwise ordered by the Bankruptcy Court, the amount of any reasonable fees and out-of-pocket expenses incurred by the Disbursing Agent on or after the Effective Date (including taxes) and any reasonable compensation and out-of-pocket expense reimbursement claims (including reasonable attorney fees and expenses) made by the Disbursing Agent shall be paid in Cash by the Reorganized Debtors.

E. Delivery of Distributions and Undeliverable or Unclaimed Distributions

1. Record Date for Distribution.

On the Distribution Record Date, the Claims Register shall be closed and any party responsible for making distributions shall instead be authorized and entitled to recognize only those record Holders listed on the Claims Register as of the close of business on the Distribution Record Date.

2. Delivery of Distributions

(a) Initial Distribution Date

Except as otherwise provided herein, on the Initial Distribution Date, the Disbursing Agent shall make distributions to holders of Allowed Claims and Interests as of the Distribution Record Date at the address for each such Holder as indicated on the Debtors' books and records or the register or related document maintained by, as applicable, the DIP Agents, the ABL Agent, or the Term Loan Agent as of the date of any such distribution; *provided* that the manner of such distributions shall be determined at the discretion of the Disbursing Agent; *provided*, *further*, that the address for each Holder of an Allowed Claim or Interest shall be deemed to be the address set forth in, as applicable, any Proof of Claim or Proof of Interest Filed by such Holder, or, if no Proof of Claim or Proof of Interest has been Filed, the address set forth in the Schedules. If a Holder holds more than one Claim in any one Class, all Claims of the Holder may be aggregated into one Claim and one distribution may be made with respect to the aggregated Claim.

(b) Quarterly Distribution Date

Except as otherwise determined by the Reorganized Debtors in their sole discretion, on each Quarterly Distribution Date or as soon thereafter as is reasonably practicable, the Disbursing Agent shall make the distributions required to be made on account of Allowed Claims and Interests under the Plan on such date. Any distribution that is not made on the Initial Distribution Date or on any other date specified herein because the Claim that would have been entitled to receive that distribution is not an Allowed Claim or Interest on such date, shall be distributed on the first Quarterly Distribution Date after such Claim or Interest is Allowed. No interest shall accrue or be paid on the unpaid amount of any distribution paid on a Quarterly Distribution Date in accordance with Article VI.I of the Plan.

(c) Distributions to Holders of Term Loan Claims

Except as set forth in this Article VI.E.2(c), the Term Loan Agent shall be deemed to be the Holder of all Term Loan Claims for purposes of distributions to be made hereunder, and all distributions on account of such Term Loan Claims shall be made to or on behalf of the Term Loan Agent. The Term Loan Agent shall hold or direct such distributions for the benefit of the Holders of Term Loan Claims. As soon as practicable following compliance with the requirements set forth in this Article VI, the Term Loan Agent shall arrange to deliver or direct the delivery of such distributions for which it is the deemed Holder to or on behalf of such Holders of Allowed Term Loan Claims.

Notwithstanding anything to the contrary herein, the Term Loan Agent shall be entitled to maintain a record of Holders of Term Loan Claims in the ordinary course of business and shall be entitled without regard to the general occurrence of the Distribution Record Date, to make distributions that it receives under the Plan to Holders of Term Loan Claims based upon its books and records. The Term Loan Agent shall not be held liable to any person with respect to distributions made or directed to be made by the Term Loan Agent except for liability arising from gross negligence, willful misconduct, or actual fraud of the Term Loan Agent.

3. Minimum Distributions

Notwithstanding any other provision of the Plan, the Disbursing Agent will not be required to make distributions of Cash less than $100 in value (whether cash or otherwise), and each such Claim to which this limitation applies shall be discharged pursuant to Article VIII and its Holder is forever barred pursuant to Article VIII from asserting such Claim against the Debtors, the Reorganized Debtors, or their property.

4. No Fractional Shares

No fractional shares or units of the New Interests shall be distributed and no Cash shall be distributed in lieu of such fractional amounts. When any distribution pursuant to the Plan on account of an Allowed Claim or Allowed Interest, as applicable, would otherwise result in the issuance of a number of shares or units of the New Interests that is not a whole number, the actual distribution of shares of the New Interests shall be rounded as follows: (a) fractions of one-half or greater shall be rounded to the next higher whole number and (b) fractions of less than one-half shall be rounded to the next lower whole number with no further payment therefore. The total number of authorized shares or units of the New Interests to be distributed pursuant to the Plan shall be adjusted as necessary to account for the foregoing rounding.

5. Undeliverable Distributions and Unclaimed Property

In the event that any distribution to any Holder is returned as undeliverable, no distribution to such Holder shall be made unless and until the Disbursing Agent has determined the then-current address of such Holder, at which time such distribution shall be made to such Holder without interest; *provided*, *however*, that such distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code at the expiration of six months from the Effective Date. After such date, all unclaimed property or interests in property shall revert to the Reorganized Debtors automatically and without need for a further order by the Bankruptcy Court (notwithstanding any applicable federal, provincial, or state escheat, abandoned, or unclaimed property laws to the contrary), and the Claim of any Holder to such property or Interest in property shall be discharged and forever barred.

A distribution shall be deemed unclaimed if a holder has not: (a) accepted a particular distribution or, in the case of distributions made by check, negotiated such check; (b) given notice to the Reorganized Debtors of an intent to accept a particular distribution; (c) responded to the Debtors' or Reorganized Debtors' requests for information necessary to facilitate a particular distribution; or (d) taken any other action necessary to facilitate such distribution.

F. Distributions on Account of Claims or Interests Allowed After the Effective Date

1. Payments and Distributions on Disputed Claims

Distributions made after the Effective Date to Holders of Disputed Claims or Interests that are not Allowed Claims or Interests as of the Effective Date, but which later become Allowed Claims or Interests, as applicable, shall be deemed to have been made on the applicable Quarterly Distribution Date after they have actually been made, unless the Reorganized Debtors and the applicable Holder of such Claim or Interest agree otherwise. No interest shall accrue or be paid on a Disputed Claim before it becomes and Allowed Claim in accordance with Article VI.I of the Plan.

2. Special Rules for Distributions to Holders of Disputed Claims

Notwithstanding any provision otherwise in the Plan and except as may be agreed to by the Reorganized Debtors, on the one hand, and the Holder of a Disputed Claim or Interest, on the other hand, no partial payments and no partial distributions shall be made with respect to any Disputed Claim or Interest until the Disputed Claim or Interest has become an Allowed Claim or Interest, as applicable, or has otherwise been resolved by settlement or Final Order; *provided* that if the Debtors do not dispute a portion of an amount asserted pursuant to an otherwise Disputed Claim, the Holder of such Disputed Claim shall be entitled to a distribution on account of that portion of such Claim, if any, that is not disputed at the time and in the manner that the Disbursing Agent makes distributions to similarly-situated holders of Allowed Claims pursuant to the Plan.

G. Compliance with Tax Requirements

In connection with the Plan, to the extent applicable, the Debtors or the Reorganized Debtors, as applicable, shall comply with all tax withholding and reporting requirements imposed on them by any Governmental Unit, and all distributions pursuant to the Plan shall be subject to such withholding and reporting requirements. Notwithstanding any provision in the Plan to the contrary, the Disbursing Agent shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including liquidating a portion of the distribution to be made under the Plan to generate sufficient funds to pay applicable withholding taxes, withholding distributions pending receipt of information necessary to facilitate such distributions, or establishing any other mechanisms they believe are reasonable and appropriate. The Debtors and Reorganized Debtors, as applicable, reserve the right to allocate all distributions made under the Plan in compliance with applicable wage garnishments, alimony, child support, and other spousal awards, liens, and encumbrances.

H. Allocations Between Principal and Accrued Interest

Distributions in respect of Allowed Claims shall be allocated first to the principal amount of such Claims (as determined for federal income tax purposes) and then, to the extent the consideration exceeds the principal amount of the Claims, to any portion of such Claims for accrued but unpaid interest.

I. No Postpetition Interest on Claims

Unless otherwise specifically provided for in the Plan or the Confirmation Order, or required by applicable bankruptcy and non-bankruptcy law, postpetition interest shall not accrue or be paid on any prepetition Claims against the Debtors, and no Holder of a prepetition Claim against the Debtors shall be entitled to interest accruing on or after the Petition Date on any such prepetition Claim.

J. Foreign Currency Exchange Rate

Except as otherwise provided in a Bankruptcy Court order, as of the Effective Date, any Claim asserted in currency other than U.S. dollars shall be automatically deemed converted to the equivalent U.S. dollar value using the exchange rate for the applicable currency as published in The Wall Street Journal, National Edition, on the Effective Date.

K. Setoffs and Recoupment

Except as expressly provided in this Plan, each Reorganized Debtor may, pursuant to section 553 of the Bankruptcy Code, set off and/or recoup against any Plan distributions to be made on account of any Allowed Claim, any and all claims, rights, and Causes of Action that such Reorganized Debtor may hold against the Holder of such Allowed Claim to the extent such setoff or recoupment is either (1) agreed in amount among the relevant Reorganized Debtor(s) and Holder of Allowed Claim or (2) otherwise adjudicated by the Bankruptcy Court or another court of competent jurisdiction; *provided*, *however*, that neither the failure to effectuate a setoff or recoupment nor the allowance of any Claim hereunder shall constitute a waiver or release by a Reorganized Debtor or its successor of any and all claims, rights, and Causes of Action that such Reorganized Debtor or its successor may possess against the applicable Holder. In no event shall any Holder of Claims against, or Interests in, the Debtors be entitled to recoup any such Claim or Interest against any claim, right, or Cause of Action of the Debtors or the Reorganized Debtors, as applicable, unless such Holder actually has performed such recoupment and provided notice thereof in writing to the Debtors in accordance with Article XII.G of the Plan on or before the Effective Date, notwithstanding any indication in any Proof of Claim or otherwise that such Holder asserts, has, or intends to preserve any right of recoupment.

Notwithstanding anything to the contrary in this Plan or the Confirmation Order, all rights of counterparties to unexpired leases of nonresidential real property (whether assumed or rejected) for setoff, recoupment, and subrogation are preserved and shall continue unaffected by Confirmation or the occurrence of the Effective Date.

L. Claims Paid or Payable by Third Parties

1. Claims Paid by Third Parties

The Debtors or the Reorganized Debtors, as applicable, shall reduce in full a Claim, and such Claim shall be disallowed without a Claim objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court, to the extent that the Holder of such Claim receives payment in full on account of such Claim from a party that is not a Debtor or the Reorganized Debtors. Subject to the last sentence of this paragraph, to the extent a Holder of a Claim receives a distribution on account of such Claim and receives payment from a party that is not a Debtor or the Reorganized Debtors on account of such Claim, such Holder shall, within two weeks of receipt thereof, repay or return the distribution to the applicable Debtor or the Reorganized Debtors, to the extent the Holder's total recovery on account of such Claim from the third party and under the Plan exceeds the amount of such Claim as of the date of any such distribution under the Plan. If the Debtors or the Reorganized Debtors, as applicable, become aware of any payment of a Claim by a third party, the Debtors or Reorganized Debtors, as applicable, will send a notice of wrongful payment to the Holder of such Claim requesting the return of any excess payments and advising the recipient of the provisions of the Plan requesting turnover of excess estate funds. The failure of such Holder to timely repay or return such distribution shall result in the Holder owing the applicable Debtor or the Reorganized Debtors annualized interest at the Federal Judgment Rate on such amount owed for each Business Day after the two-week grace period specified above until the amount is repaid.

2. Claims Payable by Third Parties

No distributions under the Plan shall be made on account of an Allowed Claim that is payable pursuant to one of the Debtors' insurance policies until the Holder of such Allowed Claim has exhausted all remedies with respect to such insurance policy. To the extent that one or more of the Debtors' insurers agrees to satisfy in full or in part a Claim (if and to the extent adjudicated by a court of competent jurisdiction), then immediately upon such insurers' agreement, the applicable portion of such Claim may be expunged without a Claims objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

3. Applicability of Insurance Policies

Except as otherwise provided in the Plan, distributions to Holders of Allowed Claims shall be in accordance with the provisions of any applicable insurance policy. Nothing contained in the Plan shall constitute or be deemed a waiver of any Cause of Action that the Debtors or any Entity may hold against any other Entity, including insurers under any policies of insurance, nor shall anything contained herein constitute or be deemed a waiver by such insurers of any defenses, including coverage defenses, held by such insurers.

ARTICLE VII.
PROCEDURES FOR RESOLVING CONTINGENT, UNLIQUIDATED, AND DISPUTED CLAIMS

A. Allowance of Claims

After the Effective Date, the Reorganized Debtors and the Plan Administrator shall have and retain any and all rights and defenses such Debtor had with respect to any Claim or Interest immediately before the Effective Date.

B. Claims Administration Responsibilities

After the Effective Date, the Plan Administrator will (a) oversee the Claim administration process and (b) administer Commercial Tort Claims and Commercial Tort Proceeds, if any, for the benefit of Holders of General Unsecured Claims. Except as otherwise specifically provided in the Plan, the Plan Administrator shall have the sole authority: (1) to File, withdraw, or litigate to judgment objections to Claims or Interests and Commercial Tort Claims; (2) to settle or compromise any Disputed Claim or Commercial Tort Claims without any further notice to or action, order, or approval by the Bankruptcy Court; and (3) to administer and adjust the Claims Register to reflect any such settlements or compromises without any further notice to or action, order, or approval by the Bankruptcy Court.

C. Plan Administrator Budget

All fees, expenses, and distributions of the Plan Administrator shall be subject to the Plan Administrator Budget. For the avoidance of doubt, the Plan Administrator's compensation and the payment of fees and expenses of any attorneys, accountants, and other professionals engaged by the Plan Administrator shall be subject to the Plan Administrator Budget.

D. Estimation of Claims

Before or after the Effective Date, the Plan Administrator and the Debtors or Reorganized Debtors, as applicable, may (but are not required to) at any time request that the Bankruptcy Court estimate any Claim that is contingent or unliquidated pursuant to section 502(c) of the Bankruptcy Code for any reason, regardless of whether any party previously has objected to such Claim or Interest or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court shall retain jurisdiction to estimate any such Claim or Interest, including during the litigation of any objection to any Claim or Interest or during the appeal relating to such objection. Notwithstanding any provision otherwise in the Plan, a Claim that has been expunged from the Claims Register, but that either is subject to appeal or has not been the subject of a Final Order, shall be deemed to be estimated at zero dollars, unless otherwise ordered by the Bankruptcy Court. In the event that the Bankruptcy Court estimates any contingent or unliquidated Claim or Interest, that estimated amount shall constitute a maximum limitation on such Claim or Interest for all purposes under the Plan (including for purposes of distributions), and the relevant Reorganized Debtor may elect to pursue any supplemental proceedings to object to any ultimate distribution on such Claim or Interest. Notwithstanding section 502(j) of the Bankruptcy Code, in no event shall any holder of a Claim that has been estimated pursuant to section 502(c) of the Bankruptcy Code or otherwise be entitled to seek reconsideration of such estimation unless such holder has Filed a motion requesting the right to seek such reconsideration on or before fourteen days after the date on which such Claim is estimated. All of the aforementioned Claims and objection, estimation, and resolution procedures are cumulative and not exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn, or resolved by any mechanism approved by the Bankruptcy Court.

E. Adjustment to Claims Without Objection

Any duplicate Claim or Interest or any Claim or Interest that has been paid or satisfied, or any Claim or Interest that has been amended or superseded, cancelled or otherwise expunged (including pursuant to the Plan), may be adjusted or expunged (including on the Claims Register, to the extent applicable) by the Reorganized Debtors without a Claims objection having to be Filed and without any further notice to or action, order or approval of the Bankruptcy Court. Additionally, any Claim or Interest that is duplicative or redundant with another Claim against or Interest in the same Debtor or another Debtor may be adjusted or expunged on the Claims Register by the Reorganized Debtors without the Reorganized Debtors having to File an application, motion, complaint, objection, or any other legal proceeding seeking to object to such Claim or Interest and without any further notice to or action, order, or approval of the Bankruptcy Court.

F. Time to File Objections to Claims

Any objections to Claims shall be Filed no later than the Claims Objection Bar Date.

G. Disallowance of Claims

Any Claims or Interests held by Entities from which property is recoverable under section 542, 543, 550, or 553 of the Bankruptcy Code, or that is a transferee of a transfer avoidable under section 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of the Bankruptcy Code, shall be deemed disallowed pursuant to section 502(d) of the Bankruptcy Code, and Holders of such Claims or Interests may not receive any distributions on account of such Claims until such time as such Causes of Action against that Entity have been settled or a Bankruptcy Court order with respect thereto has been entered and all sums due, if any, to the Debtors by that Entity have been turned over or paid to the Reorganized Debtors. All Claims Filed on account of an indemnification obligation to a director, officer, or employee shall be deemed satisfied and expunged from the Claims Register as of the Effective Date to the extent such indemnification obligation is assumed (or honored or reaffirmed, as the case may be) pursuant to the Plan, without any further notice to or action, order, or approval of the Bankruptcy Court.

Except as provided herein or otherwise agreed, any and all Proofs of Claim Filed after the Claims Bar Date or the Administrative Claims Bar Date, as appropriate, shall be deemed disallowed and expunged as of the Effective Date without any further notice to or action, order, or approval of the Bankruptcy Court, and Holders of such Claims may not receive any distributions on account of such Claims, unless such late Proof of Claim has been deemed timely Filed by a Final Order.

H. Amendments to Claims

On or after the Claims Bar Date or the Administrative Claims Bar Date, as appropriate, a Claim may not be Filed or amended without the prior authorization of the Bankruptcy Court or the Reorganized Debtors. Absent such authorization, any new or amended Claim Filed shall be deemed disallowed in full and expunged without any further notice to or action, order, or approval of the Bankruptcy Court to the maximum extent provided by applicable law.

I. No Distributions Pending Allowance

If an objection to a Claim or portion thereof is Filed as set forth in Article VII.B, no payment or distribution provided under the Plan shall be made on account of such Claim or portion thereof unless and until such Disputed Claim becomes an Allowed Claim.

J. Distributions After Allowance

To the extent that a Disputed Claim ultimately becomes an Allowed Claim or Allowed Interest, distributions (if any) shall be made to the Holder of such Allowed Claim or Allowed Interest (as applicable) in accordance with the provisions of the Plan. As soon as practicable after the date that the order or judgment of the Bankruptcy Court allowing any Disputed Claim or Disputed Interest becomes a Final Order, the Disbursing Agent shall provide to the Holder of such Claim or Interest the distribution (if any) to which such Holder is entitled under the Plan as of the

Effective Date, without any interest, dividends, or accruals to be paid on account of such Claim or Interest unless required under applicable bankruptcy law.

ARTICLE VIII.
SETTLEMENT, RELEASE, INJUNCTION, AND RELATED PROVISIONS

A. Discharge of Claims and Termination of Interests

Pursuant to, and to the maximum extent provided by, section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan or in any contract, instrument, or other agreement or document created pursuant to the Plan, the distributions, rights, and treatment that are provided in the Plan shall be in complete satisfaction, discharge, and release, effective as of the Effective Date, of Claims (including any Intercompany Claims resolved or compromised after the Effective Date by the Reorganized Debtors), Interests, and Causes of Action of any nature whatsoever, including any interest accrued on Claims or Interests from and after the Petition Date, whether known or unknown, against, liabilities of, Liens on, obligations of, rights against, and Interests in, the Debtors or any of their assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims and Interests, including demands, liabilities, and Causes of Action that arose before the Effective Date, any liability (including withdrawal liability) to the extent such Claims or Interests relate to services performed by current or former employees of the Debtors prior to the Effective Date and that arise from a termination of employment, any contingent or non-contingent liability on account of representations or warranties issued on or before the Effective Date, and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not: (1) a Proof of Claim or Proof of Interest based upon such debt, right, or Interest is Filed or deemed Filed pursuant to section 501 of the Bankruptcy Code; (2) a Claim or Interest based upon such debt, right, or Interest is Allowed pursuant to section 502 of the Bankruptcy Code; or (3) the Holder of such a Claim or Interest has accepted the Plan. Any default or "event of default" by the Debtors or their Affiliates with respect to any Claim or Interest that existed immediately prior to or on account of the filing of the Chapter 11 Cases shall be deemed cured on the Effective Date. The Confirmation Order shall be a judicial determination of the discharge of all Claims and Interests subject to the occurrence of the Effective Date.

B. Release of Liens

Except as otherwise provided in the Exit Facility Documents, the Plan, the Plan Supplement, or any contract, instrument, release, or other agreement or document created pursuant to the Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to the Plan and, in the case of an Other Secured Claim (other than any Claim secured by the Administration Charge) or Secured Tax Claim, satisfaction in full of the portion of the Other Secured Claim (other than any Claim secured by the Administration Charge) or Secured Tax Claim that is Allowed as of the Effective Date and required to be satisfied pursuant to the Plan, except for Other Secured Claims (other than any Claim secured by the Administration Charge) that the Debtors elect to reinstate in accordance with Article III.B.1 hereof, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estates shall be fully released, settled, compromised, and discharged, and all of the right, title, and interest of any Holder of such mortgages, deeds of trust, Liens, pledges, or other security interests shall revert automatically to the applicable Debtor and its successors and assigns. Any Holder of such Secured Claim (and the applicable agents for such Holder) shall be authorized and directed to release any collateral or other property of any Debtor (including any cash collateral and possessory collateral) held by such Holder (and the applicable agents for such Holder), and to take such actions as may be reasonably requested by the Reorganized Debtors to evidence the release of such Lien, including the execution, delivery, and filing or recording of such releases. The presentation or filing of the Confirmation Order to or with any federal, state, provincial, or local agency or department shall constitute good and sufficient evidence of, but shall not be required to effect, the termination of such Liens.

C. Debtor Release

Effective as of the Effective Date, pursuant to section 1123(b) of the Bankruptcy Code, for good and valuable consideration, including the service of the Released Parties in facilitating the expeditious reorganization of the Debtor and implementation of the restructuring contemplated by the Plan, the adequacy

of which is hereby confirmed, on and after the Effective Date each Released Party is deemed released and discharged by each and all of the Debtors, the Reorganized Debtors, and their Estates, in each case on behalf of themselves and their respective successors, assigns, and representatives, and any and all other Entities who may purport to assert any Cause of Action, directly or derivatively, by, through, for, or because of the foregoing Entities, from any and all Claims, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, including any derivative claims, asserted or assertable on behalf of any of the Debtors, the Reorganized Debtors, or their Estates, as applicable, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, that the Debtors, the Reorganized Debtors, or their Estates or Affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim against, or Interest in, a Debtor or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions, the Restructuring Transactions, the Sale Transaction (if applicable), entry into the Exit Facilities, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, filing, or consummation of the RSA, the Disclosure Statement, the Prepetition Facilities, the DIP Facilities, the Sale Transaction (if applicable), the Exit Facilities, the Plan, the Plan Supplement, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the RSA, the Disclosure Statement, the Prepetition Facilities, the DIP Facilities, or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, other than claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes actual fraud, willful misconduct, or gross negligence, each solely to the extent as determined by a Final Order of a court of competent jurisdiction. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release (1) any post-Effective Date obligations of any party or Entity under the Plan, any Restructuring Transaction, or any document, instrument, or agreement (including the Exit Facility Documents and any documents set forth in the Plan Supplement) executed to implement the Plan and (2) any Causes of Action listed on the Schedule of Retained Causes of Action.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Debtor Release, which includes by reference each of the related provisions and definitions contained in this Plan, and further, shall constitute the Bankruptcy Court's finding that each Debtor Release is: (1) in exchange for the good and valuable consideration provided by the Released Parties, (2) a good-faith settlement and compromise of such Claims; (3) in the best interests of the Debtors and all Holders of Claims and Interests; (4) fair, equitable, and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to any of the Debtors or Reorganized Debtors or their respective Estates asserting any claim, Cause of Action, or liability related thereto, of any kind whatsoever, against any of the Released Parties or their property.

D. Third-Party Release

Effective as of the Effective Date, in exchange for good and valuable consideration, including the obligations of the Debtors under the Plan and the contributions of the Released Parties in facilitating the expeditious reorganization of the Debtors and the implementation of the restructuring contemplated by the Plan, to the fullest extent permissible under applicable law, as such law may be extended or integrated after the Effective Date, on and after the Effective Date each of the Releasing Parties shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever, released and discharged each Debtor, Reorganized Debtor, and Released Party from any and all Claims, interests, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, including any derivative claims, asserted or assertable on behalf of any of the Debtors, the Reorganized Debtors, or their Estates, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the purchase, sale, or rescission of the purchase or sale

of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions, the Restructuring Transactions, the Sale Transaction (if applicable), entry into the Exit Facilities, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, filing, or consummation of the RSA, the Disclosure Statement, the DIP Facilities, the Sale Transaction (if applicable), the Exit Facilities, the Plan, the Plan Supplement, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the RSA, the Disclosure Statement, the DIP Facilities, or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, other than claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes actual fraud, willful misconduct, or gross negligence, each solely to the extent as determined by a Final Order of a court of competent jurisdiction. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release any post-Effective Date obligations of any party or Entity under the Plan, any Restructuring Transaction, or any document, instrument, or agreement (including the Exit Facility Documents and any documents set forth in the Plan Supplement) executed to implement the Plan.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Third-Party Release, which includes by reference each of the related provisions and definitions contained in this Plan, and further, shall constitute the Bankruptcy Court's finding that each Third-Party Release is: (1) in exchange for the good and valuable consideration provided by the Released Parties, (2) a good-faith settlement and compromise of such Claims; (3) in the best interests of the Debtors and all Holders of Claims and Interests; (4) fair, equitable, and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to any of the Debtors or Reorganized Debtors or their respective Estates asserting any claim, Cause of Action, or liability related thereto, of any kind whatsoever, against any of the Released Parties or their property.

E. Exculpation

Effective as of the Effective Date, to the fullest extent permissible under applicable law and without affecting or limiting either the Debtor Release or the Third-Party Release, and except as otherwise specifically provided in the Plan, no Exculpated Party shall have or incur, and each Exculpated Party is hereby exculpated from, any Cause of Action for any Claim related to any act or omission based on the negotiation, execution, and implementation of any transactions approved by the Bankruptcy Court in the Chapter 11 Cases, including the RSA, the Disclosure Statement, the Plan, the Plan Supplement, the Confirmation Order, or any Restructuring Transaction, contract, instrument, release, or other agreement or document contemplated by the Plan or the reliance by any Exculpated Party on the Plan or the Confirmation Order, created or entered into in connection with the RSA, the Disclosure Statement, or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance of any securities pursuant to the Plan or the distribution of property under the Plan or any other related agreement, and the implementation of the Restructuring Transactions contemplated by the Plan, except for Claims related to any act or omission that is determined by Final Order to have constituted actual fraud, willful misconduct, or gross negligence, but in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan. The Exculpated Parties have, and upon completion of the Plan shall be deemed to have, participated in good faith and in compliance with the applicable laws with regard to the solicitation of votes on, and distribution of consideration pursuant to, the Plan and, therefore, are not, and on account of such distributions shall not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan. Notwithstanding the foregoing, the exculpation shall not release any obligation or liability of any Entity for any post-Effective Date obligation under the Plan or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan.

F. Injunction

Effective as of the Effective Date, pursuant to section 524(a) of the Bankruptcy Code, to the fullest extent permissible under applicable law, and except as otherwise expressly provided in the Plan or for obligations issued or required to be paid pursuant to the Plan or the Confirmation Order, all Entities who have held, hold, or may hold Claims or Interests that have been discharged pursuant to Article VIII.A of the Plan, released pursuant to the Debtor Release, the Third-Party Release, or another provision of the Plan (including the release of liens pursuant to Article VIII.B of the Plan), or are subject to exculpation pursuant to Article VIII.E of the Plan, are permanently enjoined, from and after the Effective Date, from taking any of the following actions against, as applicable, the Debtors, the Reorganized Debtors, the Exculpated Parties, or the Released Parties: (1) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests; (2) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against such Entities on account of or in connection with or with respect to any such Claims or Interests; (3) creating, perfecting, or enforcing any encumbrance of any kind against such Entities or the property or the estates of such Entities on account of or in connection with or with respect to any such Claims or Interests; (4) asserting any right of setoff, subrogation, or recoupment of any kind, against any obligation due from such Entities or against the property of such Entities on account of or in connection with or with respect to any such Claims or Interests unless such Holder has Filed a motion requesting the right to perform such setoff on or before the Effective Date, and notwithstanding an indication of a Claim or Interest or otherwise that such Holder asserts, has, or intends to preserve any right of setoff pursuant to applicable law or otherwise; and (5) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests released or settled pursuant to the Plan.

Upon entry of the Confirmation Order and recognition by the Canadian Court of the Confirmation Order in the Recognition Proceedings, all Holders of Claims and Interests and their respective current and former employees, agents, officers, directors, principals, and direct and indirect affiliates shall be enjoined from taking any actions to interfere with the implementation or Consummation of the Plan. Each Holder of an Allowed Claim or Allowed Interest, as applicable, by accepting, or being eligible to accept, distributions under or Reinstatement of such Claim or Interest, as applicable, pursuant to the Plan, shall be deemed to have consented to the injunction provisions set forth in this Article VIII.F of the Plan.

G. Protections Against Discriminatory Treatment

To the maximum extent provided by section 525 of the Bankruptcy Code and the Supremacy Clause of the U.S. Constitution, all Entities, including Governmental Units, shall not discriminate against the Reorganized Debtors or deny, revoke, suspend, or refuse to renew a license, permit, charter, franchise, or other similar grant to, condition such a grant to, discriminate with respect to such a grant against, the Reorganized Debtors, or another Entity with whom the Reorganized Debtors have been associated, solely because each Debtor has been a debtor under chapter 11 of the Bankruptcy Code, has been insolvent before the commencement of the Chapter 11 Cases (or during the Chapter 11 Cases but before the Debtors are granted or denied a discharge), or has not paid a debt that is dischargeable in the Chapter 11 Cases.

H. Document Retention

On and after the Effective Date, the Reorganized Debtors may maintain documents in accordance with their standard document retention policy, as may be altered, amended, modified, or supplemented by the Reorganized Debtors.

I. Reimbursement or Contribution

If the Bankruptcy Court disallows a Claim for reimbursement or contribution of an Entity pursuant to section 502(e)(1)(B) of the Bankruptcy Code, then to the extent that such Claim is contingent as of the time of allowance or disallowance, such Claim shall be forever disallowed and expunged notwithstanding section 502(j) of the Bankruptcy Code, unless prior to the Confirmation Date: (1) such Claim has been adjudicated as non-contingent

or (2) the relevant Holder of a Claim has Filed a non-contingent Proof of Claim on account of such Claim and a Final Order has been entered prior to the Confirmation Date determining such Claim as no longer contingent.

J. Term of Injunctions or Stays

Unless otherwise provided in the Plan or in the Confirmation Order, all injunctions or stays in effect in the Chapter 11 Cases pursuant to sections 105 or 362 of the Bankruptcy Code or any order of the Bankruptcy Court, and extant on the Confirmation Date (excluding any injunctions or stays contained in the Plan or the Confirmation Order), shall remain in full force and effect until the Effective Date. All injunctions or stays contained in the Plan or the Confirmation Order shall remain in full force and effect in accordance with their terms.

K. Subordination Rights

The classification and manner of satisfying all Claims and Interests under the Plan take into consideration all subordination rights, whether arising under general principles of equitable subordination, contract, section 510(c) of the Bankruptcy Code, or otherwise, that a Holder of a Claim or Interest may have against other Claim or Interest holders with respect to any distribution made pursuant to the Plan. Except as provided in the Plan, all subordination rights that a Holder of a Claim may have with respect to any distribution to be made pursuant to the Plan shall be discharged and terminated, and all actions related to the enforcement of such subordination rights shall be permanently enjoined.

Pursuant to Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided under the Plan, the provisions of the Plan shall constitute a good faith compromise and settlement of all claims or controversies relating to the subordination rights that a Holder of a Claim may have with respect to any Allowed Claim or any distribution to be made pursuant to the Plan on account of any Allowed Claim. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, as of the Effective Date, of the compromise or settlement of all such claims or controversies and the Bankruptcy Court's finding that such compromise or settlement is in the best interests of the Debtors, the Estates, the Reorganized Debtors, their respective property, and Holders of Claims and Interests and is fair, equitable, and reasonable.

ARTICLE IX.
CONDITIONS PRECEDENT TO CONSUMMATION OF THE PLAN

A. Conditions Precedent to the Effective Date

It shall be a condition to the Effective Date of the Plan that the following conditions shall have been satisfied or waived pursuant to the provisions of Article IX.B hereof:

1. the Bankruptcy Court shall have entered the Confirmation Order and the Confirmation Order shall have been recognized by an order of the Canadian Court in the Recognition Proceedings, and such orders shall not have been stayed, modified, or vacated on appeal;

2. the Debtors shall have obtained all authorizations, consents, regulatory approvals, rulings, or documents that are necessary to implement and effectuate the Plan;

3. the Professional Fee Escrow Account shall have been established and funded with the Professional Fee Escrow Amount;

4. if applicable, the Exit Facility Documents shall have been executed and delivered by all of the Entities that are parties thereto, and all conditions precedent (other than any conditions related to the occurrence of the Effective Date) to the consummation of the Exit Facilities shall have been waived or satisfied in accordance with the terms thereof, and the closing of the Exit Facilities (and the payment in full of the DIP ABL Claims pursuant to the Payoff Letter) shall be deemed to occur concurrently with the occurrence of the Effective Date;

5. if applicable, the New Organizational Documents shall have been executed and delivered by each Entity party thereto and shall be in full force and effect, and the issuance of the New Interests shall be deemed to occur concurrently with the occurrence of the Effective Date; and

6. if applicable, all conditions precedent to the consummation of the Sale Transaction shall have been satisfied in accordance with the terms thereof, and the closing of the Sale Transaction shall be deemed to occur concurrently with the occurrence of the Effective Date.

B. Waiver of Conditions

Subject to and without limiting the rights of each party to the RSA, the conditions to Consummation set forth in Article IX may be waived by the Debtors with the reasonable consent of the Term Loan Agent, the Required Term Lenders, the DIP ABL Agent (solely with respect to the economic and non-economic treatment of the DIP ABL Agent and DIP ABL Lenders pursuant to such order), the Committee (solely with respect to the economic and non-economic treatment of General Unsecured Claims), and the Sponsor (solely with respect to the economic and non-economic treatment of the Last Out Loans or the Last Out DIP Loans, as applicable) without notice, leave, or order of the Bankruptcy Court or any formal action other than proceeding to confirm or consummate the Plan.

C. Substantial Consummation

"Substantial Consummation" of the Plan, as defined in section 1102(2) of the Bankruptcy Code, with respect to any of the Debtors, shall be deemed to occur on the Effective Date.

D. Effect of Failure of Conditions

If the Effective Date of the Plan does not occur, the Plan shall be null and void in all respects and nothing contained in the Plan or the Disclosure Statement shall: (1) constitute a waiver or release of any Claims by the Debtors, any Holders, or any other Entity; (2) prejudice in any manner the rights of the Debtors, any Holders, or any other Entity; or (3) constitute an admission, acknowledgment, offer, or undertaking by the Debtors, any Holders, or any other Entity in any respect.

ARTICLE X.
MODIFICATION, REVOCATION, OR WITHDRAWAL OF THE PLAN

A. Modification and Amendments

Except as otherwise specifically provided in the Plan, the Debtors, with the reasonable consent of the Term Loan Agent, Required Term Lenders, the DIP ABL Agent (solely with respect to the economic and non-economic treatment of the DIP ABL Agent and DIP ABL Lenders pursuant to such order), the Committee (solely with respect to the economic and non-economic treatment of General Unsecured Claims), or the Sponsor (solely with respect to the economic and non-economic treatment of the Last Out Loans or the Last Out DIP Loans, as applicable), reserve the right to modify the Plan, whether such modification is material or immaterial, and seek Confirmation consistent with the Bankruptcy Code and, as appropriate, not re-solicit votes on such modified Plan. Subject to certain restrictions and requirements set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019 (as well as those restrictions on modifications set forth in the Plan), the Debtors expressly reserve their respective rights to revoke or withdraw, to alter, amend, or modify the Plan with respect to each Debtor, one or more times, before or after Confirmation, and, to the extent necessary, may initiate proceedings in the Bankruptcy Court to so alter, amend, or modify the Plan, or remedy any defect or omission or reconcile any inconsistencies in the Plan, the Disclosure Statement, or the Confirmation Order, in such matters as may be necessary to carry out the purposes and intent of the Plan.

B. Effect of Confirmation on Modifications

Entry of a Confirmation Order shall mean that all modifications or amendments to the Plan since the solicitation thereof are approved pursuant to section 1127(a) of the Bankruptcy Code and do not require additional disclosure or re-solicitation under Bankruptcy Rule 3019.

C. Revocation or Withdrawal of Plan

The Debtors reserve the right to revoke or withdraw the Plan before the Confirmation Date and to file subsequent plans, in each case subject to any applicable consent rights as set forth in the RSA, the DIP Orders, or the DIP Facilities. If the Debtors revoke or withdraw the Plan, or if Confirmation or Consummation does not occur, then: (1) the Plan shall be null and void in all respects; (2) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain of the Claims or Interests or Class of Claims or Interests), assumption, assumption and assignment, or rejection of Executory Contracts or Unexpired Leases effected by the Plan, and any document or agreement executed pursuant to the Plan, shall be deemed null and void; and (3) nothing contained in the Plan shall: (a) constitute a waiver or release of any Claims, Causes of Action, or Interests; (b) prejudice in any manner the rights of such Debtor, any Holder, or any other Entity; or (c) constitute an admission, acknowledgement, offer, or undertaking of any sort by such Debtor, any Holder, or any other Entity.

ARTICLE XI.
RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, on and after the Effective Date, to the extent legally permissible, the Bankruptcy Court shall retain exclusive jurisdiction over all matters arising out of, or related to, the Chapter 11 Cases and the Plan pursuant to sections 105(a) and 1142 of the Bankruptcy Code, including jurisdiction to:

1. allow, disallow, determine, liquidate, classify, estimate, or establish the priority, Secured or unsecured status, or amount of any Claim or Interest, including the resolution of any request for payment of any Administrative Claim and the resolution of any and all objections to the Secured or unsecured status, priority, amount, or allowance of Claims or Interests;

2. decide and resolve all matters related to the granting and denying, in whole or in part, any applications for allowance of compensation or reimbursement of expenses to Professionals (including Accrued Professional Compensation Claims) authorized pursuant to the Bankruptcy Code or the Plan;

3. resolve any matters related to: (a) the assumption, assumption and assignment, or rejection of any Executory Contract or Unexpired Lease to which a Debtor is party or with respect to which a Debtor may be liable and to hear, determine, and, if necessary, liquidate, any Claims arising therefrom, including cure Claims pursuant to section 365 of the Bankruptcy Code; (b) any potential contractual obligation under any Executory Contract or Unexpired Lease that is assumed (or assumed and assigned); (c) the Reorganized Debtors amending, modifying or supplementing, after the Effective Date, pursuant to Article V, the Executory Contracts and Unexpired Leases to be assumed (or assumed and assigned) or rejected or otherwise; and (d) any dispute regarding whether a contract or lease is or was executory, expired, or terminated;

4. ensure that distributions to Holders of Allowed Claims and Interests are accomplished pursuant to the provisions of the Plan;

5. adjudicate, decide, or resolve any motions, adversary proceedings, contested or litigated matters, and any other matters, and grant or deny any applications involving a Debtor that may be pending on the Effective Date;

6. adjudicate, decide, or resolve any and all matters related to section 1141 of the Bankruptcy Code;

7. enter and implement such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of the Plan and all contracts, instruments, releases, indentures, and other agreements or documents created in connection with the Plan, the Plan Supplement, the Disclosure Statement, or the Confirmation Order;

8. enter and enforce any order for the sale of property pursuant to sections 363, 1123, or 1146(a) of the Bankruptcy Code;

9. resolve any cases, controversies, suits, disputes, or Causes of Action that may arise in connection with Consummation, including interpretation or enforcement of the Plan or any Entity's obligations incurred in connection with the Plan;

10. issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any Entity with Consummation or enforcement of the Plan;

11. resolve any cases, controversies, suits, disputes or Causes of Action with respect to the releases, injunctions and other provisions contained in Article VIII, and enter such orders as may be necessary or appropriate to implement such releases, injunctions and other provisions;

12. resolve any cases, controversies, suits, disputes or Causes of Action with respect to the repayment or return of distributions and the recovery of additional amounts owed by the Holder of a Claim for amounts not timely repaid in accordance with the Plan;

13. enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;

14. determine any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order, or, subject to any applicable forum selection clauses, any contract, instrument, release, indenture, or other agreement or document created in connection with the Plan or the Disclosure Statement;

15. enter an order or Final Decree concluding or closing any of the Chapter 11 Cases;

16. adjudicate any and all disputes arising from or relating to distributions under the Plan;

17. consider any modifications of the Plan, to cure any defect or omission or to reconcile any inconsistency in any Bankruptcy Court order, including the Confirmation Order;

18. determine requests for the payment of Claims entitled to priority pursuant to section 507 of the Bankruptcy Code;

19. hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Plan or the Confirmation Order or any Entity's obligations incurred in connection with the Plan, including, subject to any applicable forum selection clauses, disputes arising under agreements, documents, or instruments executed in connection with the Plan;

20. hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Restructuring Transactions, whether they occur before, on or after the Effective Date;

21. hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;

22. hear and determine all disputes involving the existence, nature, scope, or enforcement of any exculpations, discharges, injunctions, and releases granted in connection with and under the Plan, including under Article VIII;

23. enforce all orders previously entered by the Bankruptcy Court; and

24. hear any other matter not inconsistent with the Bankruptcy Code.

ARTICLE XII.
MISCELLANEOUS PROVISIONS

A. Immediate Binding Effect

Subject to Article IX.A and notwithstanding Bankruptcy Rules 3020(e), 6004(h), or 7062 or otherwise, upon the occurrence of the Effective Date, the terms of the Plan and the Plan Supplement shall be immediately effective and enforceable and deemed binding upon the Debtors, the Reorganized Debtors, and any and all Holders of Claims or Interests (irrespective of whether their Claims or Interests are deemed to have accepted the Plan), all Entities that are parties to or are subject to the settlements, compromises, releases, discharges, and injunctions described in the Plan, each Entity acquiring property under the Plan and any and all non-Debtor parties to Executory Contracts and Unexpired Leases with the Debtors.

B. Additional Documents

On or before the Effective Date, the Debtors may File with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan. The Debtors or Reorganized Debtors, as applicable, and all Holders receiving distributions pursuant to the Plan and all other parties in interest may, from time to time, prepare, execute, and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provisions and intent of the Plan.

C. Payment of Statutory Fees

Each of the Debtors (or the Disbursing Agent on behalf of each of the Debtors) shall pay all fees payable pursuant to section 1930(a)(6) of the Judicial Code, together with any interest thereon pursuant to 31 U.S.C. § 3717, on or before the Effective Date in Cash, based on disbursements in and outside the ordinary course of the Debtors' business and Plan payments. Thereafter, such fees and any applicable interest shall be paid by each of the Reorganized Debtors (or the Disbursing Agent on behalf of each of the Reorganized Debtors) until the earlier of entry of a final decree closing such Chapter 11 Case or an order of dismissal or conversion, whichever occurs first.

D. Statutory Committee and Cessation of Fee and Expense Payment

On the Effective Date, the Committee shall dissolve automatically and the members thereof shall be released and discharged from all rights, duties, responsibilities, and liabilities arising on or prior to the Effective Date, from, or related to, the Chapter 11 Cases and under the Bankruptcy Code, except for the limited purpose of prosecuting requests for payment of Professional Fee Claims for services and reimbursement of expenses incurred prior to the Effective Date by the Committee and its Professionals. The Reorganized Debtors shall no longer be responsible for paying any fees or expenses incurred by the members of or advisors to the Creditors' Committee after the Effective Date.

E. Reservation of Rights

Except as expressly set forth in the Plan, the Plan shall have no force or effect unless the Bankruptcy Court enters the Confirmation Order, and the Confirmation Order shall have no force or effect if the Effective Date does not occur. None of the Filing of the Plan, any statement or provision contained in the Plan or the taking of any action by any Debtor with respect to the Plan, the Disclosure Statement or the Plan Supplement shall be or shall be deemed to be an admission or waiver of any rights of any Debtor with respect to the Holders unless and until the Effective Date has occurred.

F. Successors and Assigns

The rights, benefits, and obligations of any Entity named or referred to in the Plan or the Confirmation Order shall be binding on, and shall inure to the benefit of any heir, executor, administrator, successor or assign, Affiliate, officer, director, agent, representative, attorney, beneficiaries, or guardian, if any, of each Entity.

G. Notices

To be effective, all notices, requests, and demands to or upon the Debtors shall be in writing (including by facsimile transmission) and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered by courier or registered or certified mail (return receipt requested) or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed to the following:

1. If to the Debtors, to:

Hollander Sleep Products, LLC
901 Yamato Road, Suite 250
Boca Raton, Florida 33431
Attention: Marc L. Pfefferle
E-mail: mpfefferle@carlmarks.com

with copies (which shall not constitute notice) to:

Kirkland & Ellis LLP
601 Lexington Avenue
New York, New York 10022
Attention: Joshua A. Sussberg, P.C.
Christopher T. Greco, P.C.
E-mail: joshua.sussberg@kirkland.com
christopher.greco@kirkland.com

- and -

Kirkland & Ellis LLP
300 North LaSalle
Chicago, Illinois 60654
Attention: Joseph M. Graham
Laura Krucks
E-mail: joe.graham@kirkland.com
laura.krucks@kirkland.com

2. If to the ABL Agent or DIP ABL Agent, to:

Goldberg Kohn Ltd.
55 East Monroe, Suite 3300
Chicago, Illinois 60603
Attention: Randall Klein
E-mail address: Randall.Klein@goldbergkohn.com

3. If to the Term Loan Agent or the DIP Term Agent, to:

King & Spalding LLP
1180 Peachtree Street, NE Suite 1600
Atlanta, Georgia 30309
Attention: W. Austin Jowers
E-mail address: ajowers@kslaw.com

-and -

King & Spalding LLP
1185 Avenue of the Americas
New York, New York 10036
Attention: Christopher G. Boies
Stephen M. Blank
E-mail address: cboies@kslaw.com
sblank@kslaw.com

4. If to the Committee, to:

Pachulski Stang Ziehl & Jones, LLP
780 Third Avenue, Suite 3400
New York, New York 10027
Attn: Robert J. Feinstein
Bradford J. Sandler
Email: rfeinstein@pszjlaw.com
bsandler@pszjlaw.com

After the Effective Date, the Reorganized Debtors may notify Entities that, to continue to receive documents pursuant to Bankruptcy Rule 2002, such Entity must File a renewed request to receive documents pursuant to Bankruptcy Rule 2002. After the Effective Date, the Debtors are authorized to limit the list of Entities receiving documents pursuant to Bankruptcy Rule 2002 to those Entities who have Filed such renewed requests.

H. Entire Agreement

Except as otherwise indicated, the Plan and the Plan Supplement supersede all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations on such subjects, all of which have become merged and integrated into the Plan. If the Effective Date does not occur, nothing herein shall be construed as a waiver by any party in interest of any or all of such party's rights, remedies, claims, and defenses, and such parties expressly reserve any and all of their respective rights, remedies, claims and, defenses. This Plan and the documents comprising the Plan Supplement, including any drafts thereof (and any discussions, correspondence, or negotiations regarding any of the foregoing) shall in no event be construed as, or be deemed to be, evidence of an admission or concession on the part of any party in interest of any claim or fault or liability or damages whatsoever. Pursuant to Federal Rule of Evidence 408 and any applicable state rules of evidence, all negotiations, discussions, agreements, settlements, and compromises reflected in or related to Plan and the documents comprising the Plan Supplement is part of a proposed settlement of matters that could otherwise be the subject of litigation among various parties in interest, and such negotiations, discussions, agreements, settlements, and compromises shall not be admissible into evidence in any proceeding other than a proceeding to enforce the terms of the Plan and the documents comprising the Plan Supplement.

I. Exhibits

All exhibits and documents included in the Plan Supplement are incorporated into and are a part of the Plan as if set forth in full in the Plan. After the exhibits and documents are Filed, copies of such exhibits and documents shall be available upon written request to the Debtors' counsel at the address above or by downloading such exhibits and documents from the website of the Notice and Claims Agent at www.omnimgt.com/cases/hollander or (for a fee) the Bankruptcy Court's website at http://www.ecf.nysb.uscourts.gov/. To the extent any exhibit or document is inconsistent with the terms of the Plan, unless otherwise ordered by the Bankruptcy Court, the non-exhibit or non-document portion of the Plan shall control. The documents contained in the Plan Supplement are an integral part of the Plan and shall be deemed approved by the Bankruptcy Court pursuant to the Confirmation Order. For the

avoidance of doubt, no provisions of the Plan Supplement may contradict the provisions under the Plan that require payment in full (in accordance with Section 1.4 of the DIP ABL Credit Agreement) of the DIP ABL Claims.

J. Non-Severability of Plan Provisions

The provisions of the Plan, including its release, injunction, exculpation, and compromise provisions, are mutually dependent and non-severable. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is: (1) valid and enforceable pursuant to its terms; (2) integral to the Plan and may not be deleted or modified without the consent of the Debtors, consistent with the terms set forth herein; and (3) non-severable and mutually dependent.

K. Votes Solicited in Good Faith

Upon entry of the Confirmation Order, the Debtors will be deemed to have solicited votes on the Plan in good faith and in compliance with the Bankruptcy Code, and pursuant to section 1125(e) of the Bankruptcy Code, the Debtors and each of their respective affiliates, agents, representatives, members, principals, shareholders, officers, directors, employees, advisors, and attorneys will be deemed to have participated in good faith and in compliance with the Bankruptcy Code in the offer, issuance, sale, and purchase of Securities offered and sold under the Plan and any previous plan and, therefore, no such parties will have any liability for the violation of any applicable law, rule, or regulation governing the solicitation of votes on the Plan or the offer, issuance, sale, or purchase of the Securities offered and sold under the Plan or any previous plan.

L. Closing of Chapter 11 Cases

The Reorganized Debtors shall, promptly after the full administration of the Chapter 11 Cases, File with the Bankruptcy Court all documents required by Bankruptcy Rule 3022 and any applicable order necessary to close the Chapter 11 Cases.

M. Conflicts

Except as set forth in the Plan, to the extent that any provision of the Disclosure Statement, the Plan Supplement, or any other order (other than the Confirmation Order) referenced in the Plan (or any exhibits, schedules, appendices, supplements, or amendments to any of the foregoing), conflict with or are in any way inconsistent with any provision of the Plan, the Plan shall govern and control. In the event of an inconsistency between the Confirmation Order and the Plan, the Confirmation Order shall control.

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Hollander Sleep Products, LLC

By: */s/ Marc L. Pfefferle*
Name: Marc L. Pfefferle
Title: Chief Executive Officer

Exhibit B to the Amended and Restated Restructuring Support and Settlement Agreement

DIP Term Loan Commitment Letter

Execution Version

CONFIDENTIAL

May 19, 2019

Hollander Sleep Products, LLC
6501 Congress Avenue
Suite 300
Boca Raton, FL 33487
Attention: Marc Pfefferle

Hollander Sleep Products, LLC
$28,000,000 DIP Term Loan Facility
DIP Commitment Letter

Mr. Pfefferle:

Each of the undersigned (collectively, the "DIP Commitment Parties" and each individually, a "DIP Commitment Party") hereby, severally but not jointly, commits to provide (directly and/or through one or more of its affiliates, accounts managed or sub-managed by it or its affiliates and direct or indirect subsidiaries, each such affiliate, account subsidiary or any other lender under the DIP Term Loan Facility, as hereinafter defined, a "DIP Term Loan Lender") the portion set forth opposite its name on Schedule I hereto (under the column heading "Total DIP Term Loan Commitment") of a $28,000,000 superpriority senior secured debtor-in-possession term loan credit facility (the "DIP Term Loan Facility") to Hollander Sleep Products, LLC (the "Borrower"), and Barings Finance LLC hereby agrees to act as administrative agent for the DIP Term Loan Facility (the "DIP Term Loan Agent"), in connection with the Borrower's and certain of its subsidiaries' filing of petitions for relief (collectively, the "Bankruptcy Cases") under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101, et seq (the "Bankruptcy Code").

The DIP Commitment Parties' commitments to fund the initial loans under the DIP Term Facility are subject to (i) the execution of DIP Term Loan Facility definitive documentation on substantially the terms set forth in the attached forms of (a) Debtor-in-Possession Term Loan Credit Agreement (the "Form DIP Credit Agreement"), (b) the Exhibits to the Form DIP Credit Agreement, (c) the Guaranty and Security Agreement, and (d) the Amended and Restated Intercreditor Agreement, attached collectively as Exhibit A (collectively, the "Form DIP Credit Documents," and, together with this letter, the "DIP Commitment Letter"), and otherwise in form and substance reasonably satisfactory to the DIP Commitment Parties and the DIP Term Loan Agent (collectively, the "DIP Documents"); (ii) satisfaction of all conditions precedent set forth in Sections 3.1 and 3.3 of the Form DIP Credit Agreement; and (iii) payment of all fees and expenses required hereunder and under the DIP Fee Letter (as hereinafter defined). Capitalized terms used herein without definition have the meanings assigned to such terms in the Form DIP Credit Agreement.

Evaluation Material.

You hereby represent, warrant and covenant that (a) all written information (other than the projections, budgets, financial estimates, forecasts and other forward-looking information with respect to you and your affiliates (collectively, the "Projections") and general economic or specific industry information) (the "Information") that has been or will be made available to the

DIP Commitment Parties and/or the DIP Term Loan Lenders by you or any of your affiliates or representatives, when taken as a whole, is or will be, when furnished, correct in all material respects and does not or will not, when furnished, contain any untrue statement of fact or omit to state a fact necessary in order to make the statements contained therein not materially misleading in light of the circumstances under which such statements are made (after giving effect to all supplements from time to time) and (b) the Projections that have been or will be made available to the DIP Commitment Parties by you or any of your affiliates or representatives have been or will be prepared in good faith based upon assumptions believed to be reasonable at the time made (it being understood and agreed that financial projections are not a guarantee of financial performance and actual results may differ from financial projections and such differences may be material). You agree that if at any time prior to the closing of the DIP Term Loan Facility you become aware that any of the representations in the preceding sentence would be, to your knowledge, incorrect in any material respect if the Information and Projections were being furnished, and such representations were being made, at such time, then you will use commercially reasonable efforts to supplement the Information and the Projections from time to time until the closing of the DIP Term Loan Facility so that the representations, warranties and covenants in the foregoing sentences will be correct in all material respects under those circumstances, it being understood that any such supplement shall cure any breach of such representation. You understand that in making its commitment hereunder, each DIP Commitment Party may use and rely on the Information and Projections without independent verification thereof.

You hereby authorize and agree, on behalf of yourself and your affiliates, that the Information, the Projections and all other information (including third party reports) provided by or on behalf of you and your affiliates and representatives to the DIP Commitment Parties regarding you and your affiliates, in connection with the DIP Term Loan Facility and the transactions contemplated hereby, may be disseminated by or on behalf of the DIP Commitment Parties, and made available, to prospective DIP Term Loan Lenders and their advisors identified to you, who have each agreed to be bound by customary confidentiality undertakings (including "click-through" agreements) (whether transmitted electronically by means of a website, e-mail or otherwise, or made available orally or in writing, including at prospective DIP Term Loan Lender or other meetings). You hereby further authorize the DIP Commitment Parties to download copies of your logos and agree to use commercially reasonable efforts to obtain authorization to permit the DIP Commitment Parties to download copies of your logos, from your websites and post copies thereof on an IntraLinks® or similar workspace and use such logos on any materials prepared in connection with the DIP Term Loan Facility.

Expenses.

Regardless of whether the DIP Term Loan Facility closes, you hereby agree to pay or reimburse the DIP Commitment Parties and the DIP Term Loan Agent, as applicable, for all reasonable and documented out-of-pocket expenses incurred by the DIP Commitment Parties, funds managed or sub-managed by the DIP Commitment Parties, and the DIP Term Loan Agent or their affiliates (whether incurred before or after the date hereof) in connection with the DIP Term Loan Facility (including, but not limited to, (a) all reasonable costs and out-of-pocket expenses of one primary legal counsel and, if necessary, one local counsel in all appropriate jurisdictions for all DIP Commitment Parties and the DIP Term Loan Agent), and (b) all reasonable and documented costs and out-of-pocket expenses of one financial advisor (if any) for all DIP Commitment Parties and the DIP Term Loan Agent.

Confidentiality.

You agree that you will not disclose, directly or indirectly, this DIP Commitment Letter and the contents hereof or the DIP Fee Letter dated as of the date hereof (the "DIP Fee Letter") among the DIP Commitment Parties and the Borrower and the contents thereof or the DIP Commitment Parties' involvement with the DIP Term Loan Facility to any third party (including, without limitation, any financial institution or intermediary) without each DIP Commitment Party's prior written consent, other than to (a) those individuals who are your directors, officers, employees, attorneys, agents or advisors in connection with the DIP Term Loan Facility; provided that this DIP Commitment Letter may be disclosed to (i) Sentinel Capital Partners, L.L.C. and its affiliates, and its directors, officers, employees, attorneys, agents and advisors, and (ii) to the providers of the ABL DIP Facility described in the Form DIP Credit Agreement and their officers, employees, attorneys, agents and advisors, in each case on a confidential basis (it being understood any such disclosure pursuant to this clause (a)(ii) shall be limited to a general description of the fees to be paid and does not authorize the distribution of the DIP Fee Letter to such persons), (b) the Bankruptcy Court for approval of this DIP Commitment Letter and the DIP Term Loan Facility, (c) any official committee appointed in the Bankruptcy Cases and their respective legal and financial advisers, (d) as may be compelled in a judicial or administrative proceeding or as otherwise required by law (in which case you agree to inform the DIP Commitment Parties promptly thereof), (e) to the extent necessary in connection with the exercise of any remedies or enforcement of any rights hereunder and (f) other recipients as required by the Bankruptcy Court, or as part of the Borrower and its subsidiaries' disclosure statement soliciting votes in support of a plan of reorganization, whether before or after the commencement of the Bankruptcy Cases (it being understood any such disclosure pursuant to this clause (f) shall be limited to a general description of the fees to be paid in the Borrower's solicitation materials and does not authorize the distribution, filing with the Bankruptcy Court, or other action that results in the DIP Fee Letter being made available to such other recipients). Except in connection with the disclosure statement soliciting votes in support of a plan of reorganization, you agree to inform all such persons who receive information concerning this DIP Commitment Letter or the DIP Fee Letter that such information is confidential and may not be used for any other purpose. The DIP Commitment Parties reserve the right to review and approve, in advance, all materials, press releases, advertisements and disclosures that contain their name or any name of any affiliate or the name of any account managed or sub-managed by, or any related fund of, the DIP Commitment Parties or describe their respective financing commitment (such approval not to be unreasonably withheld, delayed or conditioned).

The Borrower hereby agrees that if the DIP Fee Letter is required to be filed with any bankruptcy court or disclosed to any U.S. Trustee for purposes of obtaining approval to pay any fees provided for therein or otherwise, then it shall promptly notify the DIP Commitment Parties and take all commercially reasonable actions necessary to prevent the DIP Fee Letter from becoming publicly available, including, without limitation, filing a motion pursuant to sections 105(a) and 107(b) of the Bankruptcy Code and Rule 9018 of the Federal Rules of Bankruptcy Procedure seeking a bankruptcy court order authorizing the Borrower to file the DIP Fee Letter under seal to the maximum extent permitted by applicable law; provided, however, that if the applicable bankruptcy court or applicable law does not permit such filing under seal, then any such filing shall be redacted to the maximum extent permitted by such bankruptcy court and such law. Notwithstanding the "Survival" section herein, the obligations of the foregoing sentence shall survive any termination or completion of the arrangement provided by this DIP Commitment Letter.

Each DIP Commitment Party and the DIP Term Loan Agent agrees it shall use all nonpublic information received by it in connection with the DIP Term Loan Facility solely for the purposes

of providing the commitments subject of this DIP Commitment Letter and shall treat confidentially all such information; provided, however, that nothing herein shall prevent any DIP Commitment Party or the DIP Term Loan Agent from disclosing any such information (a) to any DIP Term Loan Lenders or participants or prospective DIP Term Loan Lenders or participants, in each case identified to you, (b) as may be compelled in a judicial or administrative proceeding or as otherwise required by law (in which case we agree to inform you promptly thereof), (c) upon the request or demand of any regulatory authority having jurisdiction over the DIP Commitment Parties and the DIP Term Loan Agent, (d) to the employees, legal counsel, independent auditors, professionals and other experts or agents of such party (collectively, "Representatives") who are informed of the confidential nature of such information and are or have been advised of their obligation to keep information of this type confidential, (e) to any of its respective affiliates (provided that any such affiliate is advised of its obligation to retain such information as confidential, and each DIP Commitment Party and DIP Term Loan Agent shall be responsible for its affiliates' compliance with this paragraph) solely in connection with the DIP Term Loan Facility, and (f) to the extent any such information becomes publicly available other than by reason of disclosure by any DIP Commitment Party, the DIP Term Loan Agent, any of their affiliates or Representatives in breach of this DIP Commitment Letter.

Indemnity.

Regardless of whether the DIP Term Loan Facility is closed, you agree to (a) indemnify, defend and hold each of the DIP Commitment Parties, the DIP Term Loan Agent, each DIP Term Loan Lender, and the respective affiliates and funds managed or advised by the DIP Commitment Parties and DIP Term Loan Lenders, and the principals, directors, officers, employees, representatives, agents, attorneys and third party advisors of each of them (each, an "Indemnified Person"), harmless from and against all losses, disputes, claims, investigations, litigation, proceedings, expenses (including, but not limited to, attorneys' fees), damages, and liabilities of any kind to which any Indemnified Person may become subject arising out of or in connection with any claim, litigation, investigation or proceeding (any of the foregoing, a "Proceeding") relating to or in connection with this DIP Commitment Letter, the DIP Fee Letter, the DIP Term Loan Facility, the use or the proposed use of the proceeds thereof, or any other transaction contemplated by this DIP Commitment Letter (each, a "Claim", and collectively, the "Claims"), regardless of whether such Indemnified Person is a party thereto (and regardless of whether such matter is initiated by a third party, you, or any of your or its respective affiliates), and (b) reimburse each Indemnified Person upon demand (together with reasonably detailed backup documentation in summary form supporting such demand) for all reasonable and documented legal and other out-of-pocket expenses incurred in connection with investigating, preparing to defend or defending, or providing evidence in or preparing to serve or serving as a witness with respect to, any Proceeding (each, an "Expense") by one counsel to the Indemnified Persons taken as a whole and, if necessary, one firm of local counsel in each appropriate jurisdiction to the Indemnified Persons taken as a whole, and, in the case of an actual conflict of interest, one additional counsel to the affected Indemnified Persons taken as a whole; provided that no Indemnified Person shall be entitled to indemnity hereunder in respect of any Claim or Expense to the extent that the same (i) is found by a final, non-appealable judgment of a court of competent jurisdiction to have resulted from the gross negligence, willful misconduct or bad faith of such Indemnified Person or any of its affiliates and their principals, directors, officers, employees, representatives, agents, attorneys or third party advisors, (ii) is found by a final, non-appealable judgment of a court of competent jurisdiction to have resulted from a material breach of the obligations of such Indemnified Person or any of its affiliates and their principals, directors, officers, employees, representatives, agents, attorneys or third party advisors under this DIP Commitment Letter or (iii) arises from any dispute among Indemnified Persons that does not

involve or relate to an act or omission by you and that is brought by an Indemnified Person against another Indemnified Person (other than any claims against the DIP Term Loan Agent in its capacity or in fulfilling its role as an agent under the DIP Term Loan Facility). Notwithstanding any other provision of this DIP Commitment Letter, and without limitation of your indemnification and reimbursement obligations set forth herein, no party hereto shall be liable for any special, indirect, consequential or punitive damages in connection with the DIP Term Loan Facilities, this DIP Commitment Letter, the DIP Fee Letter or any other transaction contemplated hereby or thereby; provided that this foregoing sentence shall not limit your indemnity obligations to the extent set forth above in respect of any actual Claims and Expenses incurred or paid by an Indemnified Person to a third party unaffiliated with the DIP Commitment Parties that are otherwise required to be indemnified in accordance with the terms hereof.

Furthermore, you hereby acknowledge and agree that the use of electronic transmission is not necessarily secure and that there are risks associated with such use, including risks of interception, disclosure and abuse. You agree to assume and accept such risks and hereby authorize the use of transmission of electronic transmissions, and that none of the DIP Commitment Parties nor any of their respective affiliates will have any liability for any damages arising from the use of such electronic transmission systems, except to the extent such damages have been found by a final, non-appealable judgment of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of such DIP Commitment Party or any of its affiliates and their principals, directors, officers, employees, representatives, agents, attorneys or third party advisors.

Notwithstanding the above, (a) you shall not be liable for any settlement of any Proceedings effected without your consent (which consent shall not be unreasonably conditioned, withheld or delayed), but if settled with your written consent or if there is a judgment for the plaintiff against any Indemnified Person in any such Proceedings, you agree to indemnify and hold harmless each Indemnified Person from and against any and all Claims and Expenses by reason of such settlement or judgment in accordance with this section and (b) each Indemnified Person shall be obligated to refund or return any and all amounts paid by you under the preceding paragraph to such Indemnified Person for any losses, claims, damages liabilities or expenses to the extent such Indemnified Person is not entitled to payment of such amounts in accordance with the terms hereof. You shall not, without the prior written consent of an Indemnified Person (which consent shall not be unreasonably conditioned, withheld or delayed), effect any settlement or consent to the entry of any judgment of any pending or threatened Proceedings in respect of which indemnity could have been sought hereunder by such Indemnified Person unless such settlement (i) includes an unconditional release of such Indemnified Person from all liability or claims that are the subject matter of such Proceedings, (ii) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnified Person and (iii) contains customary confidentiality and nondisparagement provisions.

In the event that an Indemnified Person is requested or required to appear as a witness in any action brought by or on behalf of or against you or any of your subsidiaries or affiliates in which such Indemnified Person is not named as a defendant, or a demand to produce documents or otherwise respond to discovery requests is made on an Indemnified Person, you agree to reimburse such Indemnified Person for all reasonable expenses incurred by it in connection with such Indemnified Person's appearing and preparing to appear as such a witness, including, without limitation, the reasonable fees and expenses of its legal counsel.

Sharing Information; Absence of Fiduciary Relationship.

You acknowledge that the DIP Commitment Parties, the DIP Term Loan Agent and their respective affiliates may be providing debt financing, equity capital or other services to other companies with which you may have conflicting interests. Neither the DIP Commitment Parties nor any of their affiliates will use confidential information obtained from you by virtue of the transactions contemplated by this DIP Commitment Letter or its other relationships with you in connection with the performance by it of services for other persons, and neither the DIP Commitment Parties nor any of their affiliates will furnish any such information to other persons except as permitted under the "Confidentiality" section herein. You further acknowledge and agree that (a) no fiduciary, advisory or agency relationship between you and any of the DIP Commitment Parties or the DIP Term Loan Agent has been or will be created in respect of any of the transactions contemplated by this DIP Commitment Letter, irrespective of whether the DIP Commitment Parties, the DIP Term Loan Agent and/or their respective affiliates have advised or are advising you on other matters and (b) you will not assert any claim against any of the DIP Commitment Parties or the DIP Term Loan Agent for breach or alleged breach of fiduciary duty in respect of any of the transactions contemplated by this DIP Commitment Letter and agree that none of the DIP Commitment Parties or the DIP Term Loan Agent shall have any direct or indirect liability to you in respect of such a fiduciary duty claim or to any person asserting a fiduciary duty claim on behalf of or in right of you, including your stockholders, employees or creditors.

Assignments and Amendments.

This DIP Commitment Letter shall not be assignable by you without the prior written consent of each of the DIP Commitment Parties (and any purported assignment without such consent shall be null and void), and is solely for the benefit of the parties hereto and is not intended to confer any benefits upon, or create any rights in favor of, any person other than the parties hereto and the Indemnified Persons. The DIP Commitment Parties may assign their respective commitments hereunder, in whole or in part, (i) to any of their affiliates, any funds or accounts managed, advised, sub-managed or sub-advised by them or their affiliates, or (ii) subject to the prior written consent of the Borrower (such consent not to be unreasonably withheld or delayed) to any prospective DIP Term Loan Lender; provided that, (unless such assignee enters into a separate letter agreement with you affirming its commitment on the same terms as set forth herein with respect to such assigned portion of the commitments (such agreement not to be unreasonably conditioned, withheld or delayed by you)) any such assignment shall not release them of the obligations hereunder and each DIP Commitment Party shall retain exclusive control over all rights and obligations with respect to its commitments hereunder, including all rights with respect to consents, modifications, supplements, waivers and amendments, until after the closing and initial funding of the DIP Term Loan Facility has occurred. This DIP Commitment Letter may not be amended or waived except in a written instrument signed by you, the DIP Commitment Parties and the DIP Term Loan Agent.

Counterparts and Governing Law.

This DIP Commitment Letter may be executed in counterparts, each of which shall be deemed an original and all of which counterparts shall constitute one and the same document. Delivery of an executed signature page of this DIP Commitment Letter by facsimile or electronic (including "PDF") transmission shall be effective as delivery of a manually executed counterpart hereof.

The laws of the State of New York shall govern all matters arising out of, in connection with or relating to this DIP Commitment Letter, including, without limitation, its validity, interpretation,

construction, performance and enforcement and any claims sounding in contract law or tort law arising out of the subject matter hereof.

Venue and Submission to Jurisdiction.

The parties hereto consent and agree that the federal bankruptcy court located in the Southern District of New York, shall have exclusive jurisdiction to hear and determine any claims or disputes between or among any of the parties hereto pertaining to this DIP Commitment Letter, the DIP Fee Letter, the DIP Term Loan Facility, any other transaction relating hereto or thereto, and any investigation, litigation, or proceeding in connection with, related to or arising out of any such matters or, if that court does not have subject matter jurisdiction, then the U.S. District Court for the Southern District of New York shall have such exclusive jurisdiction or, if that court does not have subject matter jurisdiction, then any state court located in New York County, State of New York shall have such exclusive jurisdiction; provided, that the parties hereto acknowledge that any appeal from those courts may have to be heard by a court located outside of such jurisdiction. The parties hereto expressly submit and consent in advance to such jurisdiction in any action or suit commenced in any such court, and hereby waive any objection, which each of the parties may have based upon lack of personal jurisdiction, improper venue or inconvenient forum.

Waiver of Jury Trial.

THE PARTIES HERETO, TO THE EXTENT PERMITTED BY LAW, WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT, OR PROCEEDING ARISING OUT OF, IN CONNECTION WITH OR RELATING TO, THIS DIP COMMITMENT LETTER, THE DIP FEE LETTER, THE DIP TERM LOAN FACILITY, AND ANY OTHER TRANSACTION RELATED HERETO OR THERETO. THIS WAIVER APPLIES TO ANY ACTION, SUIT OR PROCEEDING WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE.

Survival.

The provisions of this letter set forth under this heading and the headings "Expenses", "Confidentiality", "Indemnity", "Sharing Information; Absence of Fiduciary Relationship", "Assignments and Amendments", "Counterparts and Governing Law", "Venue and Submission to Jurisdiction" and "Waiver of Jury Trial" shall survive the termination or expiration of this DIP Commitment Letter and shall remain in full force and effect regardless of whether the DIP Term Loan Facility is closed or the credit documentation with respect to the DIP Term Loan Facility shall be executed and delivered; provided that if the DIP Term Loan Facility is closed and the credit documentation with respect to the DIP Term Loan Facility shall be executed and delivered, the provisions under the heading "Expenses", "Confidentiality", "Indemnity", and "Sharing Information; Absence of Fiduciary Relationship" shall be superseded and deemed replaced by the terms of the credit documentation with respect to the DIP Term Loan Facility governing such matters.

Integration.

This DIP Commitment Letter and the DIP Fee Letter supersede any and all discussions, negotiations, understandings or agreements, written or oral, express or implied, between or among the parties hereto and their affiliates as to the subject matter hereof.

Patriot Act.

The DIP Commitment Parties hereby notify you that pursuant to the requirements of the USA PATRIOT Act, Title III of Pub. L. 107-56 (signed into law October 26, 2001) (the "PATRIOT Act"), each DIP Term Loan Lender may be required to obtain, verify and record information that identifies the Borrower and each Guarantor, which information includes the name, address, tax identification number and other information regarding the Borrower and each Guarantor that will allow such DIP Term Loan Lender to identify the Borrower and each Guarantor in accordance with the PATRIOT Act. This notice is given in accordance with the requirements of the PATRIOT Act and is effective as to each DIP Term Loan Lender.

Please indicate your acceptance of the terms hereof by signing in the appropriate space below. Unless extended in writing by the DIP Commitment Parties, the commitments and agreements of the DIP Commitment Parties contained herein (subject to the provisions under the heading "Survival") shall automatically expire on the first to occur of (a) 11:59 p.m. New York time on the later of (x) May 24, 2019 and (y) if the Bankruptcy Cases have commenced prior to such date, the date that is 4 calendar days after the first day hearing in the Bankruptcy Cases, and (b) execution and delivery of the credit documentation with respect to the DIP Term Loan Facility and funding of the DIP Term Loan Facility.

Very truly yours,

BARINGS FINANCE LLC
By: Barings LLC, as Investment Manager

[redacted]

By:_____
Name: [redacted]
itle: [redacted]

ALLSTATE INSURANCE COMPANY

By:
Name:
Title:

By:
Name:
Title:

ALLSTATE LIFE INSURANCE COMPANY

By:
Name:
Title:

By:
Name:
Title:

FIRST EAGLE DARTMOUTH HOLDING LLC

By: First Eagle Private Credit, LLC, its Manager

By: [redacted]
Name:
Title:

GSO DIAMOND PORTFOLIO BORROWER LLC

By: GSO Diamond Portfolio Holdco LLC, its managing member
By: GSO Diamond Portfolio Fund LP, its managing member
By: GSO Diamond Portfolio Associates LLC, its general partner

By:_____
Name:
Title:

DIAMOND CLO 2018-1 LTD

By: GSO Capital Partners LP, as Collateral Manager

By:_____
Name:
Title:

PENNANTPARK INVESTMENT CORPORATION

By: [redacted]
Name:
Title:

PENNANTPARK FLOATING RATE FUNDING I, LLC

By: [redacted]
Name:
Title:

PENNANTPARK CREDIT OPPORTUNITIES FUND II, LP

By: [redacted]
Name:
Title:

Accepted and agreed to as of
the date first written above:

HOLLANDER SLEEP PRODUCTS, LLC

By:_____
Name: Marc L. Pfefferle
Title: Chief Executive Officer

Schedule I

DIP Term Loan Lender	Total DIP Term Loan Commitment
Allstate Insurance Company	[redacted]
Barings Finance LLC	[redacted]
GSO Capital Partners	[redacted]
First Eagle Investment Management	[redacted]
PennantPark Investment Corporation	[redacted]
TOTAL	**$28,000,000.00**

EXHIBIT A

[Form DIP Documents]

DEBTOR-IN-POSSESSION

TERM LOAN CREDIT AGREEMENT

dated as of May __, 2019

by and among

DREAM II HOLDINGS, LLC
and
HOLLANDER HOME FASHIONS HOLDINGS, LLC,
as Parent Guarantors,

HOLLANDER SLEEP PRODUCTS, LLC,
as Borrower

THE LENDERS THAT ARE PARTIES HERETO,
as the Lenders, and

BARINGS FINANCE LLC,
as Administrative Agent

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EXHIBITS AND SCHEDULES

DEBTOR-IN-POSSESSION TERM LOAN CREDIT AGREEMENT

THIS DEBTOR-IN-POSSESSION TERM LOAN CREDIT AGREEMENT (this "Agreement"), is entered into as of May [__], 2019, by and among the lenders identified on the signature pages hereof (each of such lenders, together with its successors and permitted assigns, is referred to hereinafter as a "Lender", as that term is hereinafter further defined), **BARINGS FINANCE LLC**, as administrative agent for each member of the Lender Group (in such capacity, together with its successors and assigns in such capacity, "Agent"), **DREAM II HOLDINGS, LLC**, a Delaware limited liability company ("Parent"), **HOLLANDER HOME FASHIONS HOLDINGS, LLC**, a Delaware limited liability company ("HHFH" or "Holdings" and together with Parent, the "Parent Guarantors") and **HOLLANDER SLEEP PRODUCTS, LLC**, a Delaware limited liability company ("HSP" or the "Borrower").

WHEREAS, on May [__], 2019 (the "Petition Date"), the Borrower and the Guarantors commenced Chapter 11 case numbers [__] through [__], as jointly administered for procedural purposes at Chapter 11 case number [__] (each a "Chapter 11 Case" and collectively, the "Chapter 11 Cases") by filing with the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code").

WHEREAS, each of the Loan Parties is continuing in the possession of its assets and in the management of its business as a debtor-in-possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code.

WHEREAS, the Borrower has requested the Lenders to extend credit to the Borrower in form of term loans consisting of a superpriority debtor-in-possession secured credit facility in an aggregate principal amount not to exceed $28,000,000 (the "DIP Facility") subject to this Agreement and, when entered, the Interim DIP Order, and the Final DIP Order, as applicable, which will be used in accordance with the Approved Budget and the terms of this Agreement.

WHEREAS, the Borrower has requested the ABL DIP Lenders to extend credit to the Borrower in the form of revolving credit commitments in an aggregate of $90,000,000 (the "ABL DIP Facility") pursuant to the terms of that certain ABL DIP Facility Agreement.

WHEREAS, to provide security for the repayment of the loans made available pursuant hereto and payment of the other obligations of the Borrower hereunder, the Borrower has agreed to provide the Agent and the Lenders, in each case subject to the Carve-Out, with DIP Liens on the DIP Collateral; and

WHEREAS, the Lenders are willing to make the requested DIP Facility available to the Borrower on the terms and conditions set forth in this Agreement and the Interim DIP Order and the Final DIP Order, as applicable:

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained herein, the parties hereto agree as follows:

1. DEFINITIONS AND CONSTRUCTION.

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

1.2 **Accounting Terms**. All accounting terms not specifically defined herein shall be construed in accordance with GAAP; provided, that if Borrower notifies Agent that Borrower requests an amendment to any provision hereof to eliminate the effect of any Accounting Change occurring after the Effective Date or in the application thereof on the operation of such provision (or if Agent notifies Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such Accounting Change or in the application thereof, then Agent and Borrower agree that they will negotiate in good faith amendments to the provisions of this Agreement that are directly affected by such Accounting Change with the intent of having the respective positions of the Lenders and Borrower after such Accounting Change conform as nearly as possible to their respective positions before such Accounting Change and, until any such amendments have been agreed upon and agreed to by the Required Lenders, the provisions in this Agreement shall be calculated as if no such Accounting Change had occurred; provided, further, that notwithstanding any Accounting Change after the Effective Date that would require lease obligations that would be treated as operating leases as of the Effective Date to be classified and accounted for as capital leases or otherwise reflected on Parent and its Subsidiaries' consolidated balance sheet, for the purposes of determining compliance with any covenant contained herein, such obligations shall be treated in the same manner as operating leases are treated as of the Effective Date. When used herein, the term "financial statements" shall include the notes and schedules thereto. Whenever the term "Parent" is used in respect of a financial covenant or a related definition, it shall be understood to mean Parent and its Subsidiaries on a consolidated basis, unless the context clearly requires otherwise. Notwithstanding anything to the contrary contained herein, all financial statements delivered hereunder shall be prepared, and all financial covenants contained herein shall be calculated, without giving effect to any election under the Statement of Financial Accounting Standards No. 159 (or any similar accounting principle) permitting a Person to value its financial liabilities or Indebtedness at the fair value thereof.

1.3 **Code**. Any terms used in this Agreement that are defined in the Code shall be construed and defined as set forth in the Code unless otherwise defined herein; provided, however, that to the extent that the Code is used to define any term herein and such term is defined differently in different Articles of the Code, the definition of such term contained in Article 9 of the Code shall govern.

1.4 **Construction**. Unless the context of this Agreement or any other Loan Document clearly requires otherwise, references to the plural include the singular, references to the singular include the plural, the terms "includes" and "including" are not limiting, and the term "or" has, except where otherwise indicated, the inclusive meaning represented by the phrase "and/or." The words "hereof," "herein," "hereby," "hereunder," and similar terms in this Agreement or any other DIP Loan Document refer to this Agreement or such other DIP Loan Document, as the case may be, as a whole and not to any particular provision of this Agreement or such other DIP Loan Document, as the case may be. Unless the context of this Agreement or any other DIP Loan Document clearly requires otherwise, references to "law" means all international, foreign, federal, state, provincial and local statutes, treaties, rules, guidelines, regulations, by-laws, ordinances, decrees, codes and administrative or judicial or arbitral or

administrative or ministerial or departmental or regulatory precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case, whether or not having the force of law. Section, subsection, clause, schedule, and exhibit references herein are to this Agreement unless otherwise specified. Any reference in this Agreement or in any other DIP Loan Document to any agreement, instrument, or document shall include all alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements, thereto and thereof, as applicable (subject to any restrictions on such alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements set forth herein). The words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties. Any reference herein or in any other DIP Loan Document to the satisfaction, repayment, or payment in full of the DIP Facility Obligations shall mean (a) the payment or repayment in full in immediately available funds in Dollars of (i) the principal amount of, and interest accrued and unpaid with respect to, all outstanding DIP Loans, (ii) all Lender Group Expenses that have accrued and are unpaid regardless of whether demand has been made therefor, (iii) all fees or charges that have accrued hereunder or under any other DIP Loan Document and are unpaid, (b) the receipt by Agent of cash collateral in Dollars in order to secure any other contingent DIP Facility Obligations for which a claim or demand for payment has been made on or prior to such time or in respect of matters or circumstances known to Agent or a Lender at such time that are reasonably expected to result in any loss, cost, damage, or expense (including attorneys' fees and legal expenses), such cash collateral to be in such amount as Agent reasonably determines is appropriate to secure such contingent DIP Facility Obligations, (c) the payment or repayment in full in immediately available funds in Dollars of all other outstanding DIP Facility Obligations other than in each case of clauses (a) to (c) hereof, Unasserted Contingent Indemnification Obligations, and (d) the termination of all of the DIP Loan Commitments of the Lenders. Any reference herein to any Person shall be construed to include such Person's permitted successors and assigns. Any requirement of a writing contained herein or in any other DIP Loan Document shall be satisfied by the transmission of a Record.

1.5 **Time References**. Unless the context of this Agreement or any other DIP Loan Document clearly requires otherwise, all references to time of day refer to Eastern Standard Time or Eastern daylight saving time, as in effect in New York City, New York on such day. For purposes of the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to and including"; provided that, with respect to a computation of fees or interest payable to Agent or any Lender, such period shall in any event consist of at least one full day.

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

1.7 **Divisions**. For all purposes under the DIP Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred

from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its Equity Interests at such time.

2. DIP LOANS AND TERMS OF PAYMENT.

2.1 **DIP Loans**.

(a) On the Effective Date, each Lender, subject to, and in accordance with, this Agreement, agrees to severally, and not jointly or jointly and severally, make an Interim DIP Loan to and for the account of the Borrower as provided herein, in the amount of such Lender's Interim DIP Loan Commitment (subject to any limitations contained within the Interim DIP Order or the Final DIP Order, as applicable). The Interim DIP Loans shall be made in one draw on the Effective Date, and the Interim DIP Loan Commitments shall be immediately terminated after the funding of the Interim DIP Loans. Once repaid, no part of the Interim DIP Loans may be reborrowed.

(b) On the Final Order Effective Date, each Lender, subject to, and in accordance with, this Agreement, agrees to severally, and not jointly or jointly and severally, make a Final DIP Loan to and for the account of the Borrower as provided herein, in the amount of such Lender's Final DIP Loan Commitment (subject to any limitations contained within the Interim DIP Order or the Final DIP Order, as applicable). The Final DIP Loans shall be made in one draw on the Final Order Effective Date, and the Final DIP Loan Commitments shall be immediately terminated after the funding of the Final DIP Loans. Once repaid, no part of the Final DIP Loans may be reborrowed.

(c) On the date that is the first Business Day of the last week of the Life of the Case (such earlier date, the "Budget Advance Date"), each Lender, subject to, and in accordance with, this Agreement, agrees to severally, and not jointly or jointly and severally, make a Budget Advance Date DIP Loan to and for the account of the Borrower as provided herein, in the amount of such Lender's Budget Advance Date Commitment (subject to any limitations contained within the DIP Orders). The Budget Advance Date DIP Loans shall be made in one draw on the Budget Advance Date, and the Budget Advance Date Commitments shall be immediately terminated after the funding of the Budget Advance Date Loans. Once repaid, no part of the Budget Advance Date DIP Loans may be reborrowed.

2.2 **[Intentionally Omitted].**

2.3 **Borrowing Procedures.**

(a) **Procedure for Borrowing DIP Loans**. Borrower shall deliver to Agent a notice of borrowing, in substantially the form set forth on Exhibit 2.3(a), not later than 12:00 p.m. one Business Day (or such shorter period as Agent may agree in its reasonable discretion) before (i) the anticipated Effective Date, requesting that the Lenders make the Interim DIP Loans on the Effective Date, (ii) the anticipated Final Order Effective Date, requesting that the Lenders make the Final DIP Loans on the Final Order Effective Date, and (iii) the anticipated Budget Advance Date, requesting that the Lenders make the Budget Advance Date DIP Loans on the Budget Advance Date. The notice of borrowing shall be irrevocable and shall specify (i) the

principal amount of the DIP Loans to be borrowed, (ii) the requested date of the borrowing (which shall be a Business Day), and (iii) the location and number of the accounts to which funds are to be disbursed. Requests for LIBOR Rate Loans will also be subject to Section 2.12.

(b) **Making of DIP Loans**. Upon receipt of such notice of borrowing, the Agent shall promptly notify each Lender thereof. Not later than 12:00 p.m. (or, if later, promptly following the satisfaction of the conditions precedent to the initial extension of credit hereunder set forth in Section 3), on (i) the Effective Date, each Lender shall make available to Borrower an amount (through the Agent) in immediately available funds equal to such Lender's Pro Rata Share of the requested Interim DIP Loans, (ii) the Final Order Effective Date, each Lender shall make available to Borrower an amount (through the Agent) in immediately available funds equal to such Lender's Pro Rata Share of the requested Final DIP Loans, and (iii) the Budget Advance Date, each Lender shall make available to Borrower an amount (through the Agent) in immediately available funds equal to such Lender's Pro Rata Share of the requested Budget Advance Date DIP Loans.

(c) **Independent Obligations**. All DIP Loans shall be made by the Lenders contemporaneously and in accordance with their Pro Rata Shares. It is understood that (i) no Lender shall be responsible for any failure by any other Lender to perform its obligation to make any DIP Loan hereunder, nor shall any DIP Loan Commitment of any Lender be increased or decreased as a result of any failure by any other Lender to perform its obligations hereunder, and (ii) no failure by any Lender to perform its obligations hereunder shall excuse any other Lender from its obligations hereunder.

(d) **Defaulting Lenders**. Notwithstanding anything to the contrary contained in this Agreement (including Section 2.4(b)(ii)), if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by applicable law, any payment of principal, interest, fees or other amounts received by Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Section 8 or otherwise) or received by Agent from a Defaulting Lender pursuant to any right of setoff shall be applied at such time or times as may be determined by Agent as follows: first, to the payment of any amounts owing by such Defaulting Lender to Agent hereunder; second, if Borrower requests (so long as no Default or Event of Default exists), to the funding of any DIP Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by Agent; third, if so determined by Agent and Borrower, to be held in a deposit account and released pro rata in order to satisfy such Defaulting Lender's potential future funding obligations with respect to DIP Loans under this Agreement; fourth, to the payment of any amounts owing to the Lenders as a result of any judgment of a court of competent jurisdiction obtained by Agent or any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; fifth, so long as no Default or Event of Default exists, to the payment of any amounts owing to Borrower as a result of any judgment of a court of competent jurisdiction obtained by Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and sixth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any DIP Loans in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such DIP Loans were made at a time when the conditions set forth in Section 3.1

were satisfied or waived in accordance with this Agreement, such payment shall be applied solely to pay the DIP Loans of all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any DIP Loans of such Defaulting Lender until such time as all DIP Loans are funded by the Lenders pro rata in accordance with the DIP Loan Commitments under the applicable tranche of DIP Loans. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender pursuant to this Section 2.3(d) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

2.4 **Payments; Prepayments**.

(a) **Payments by Borrower**.

(i) Except as otherwise expressly provided herein, all payments by Borrower shall be made to Agent's Account for the account of the Lender Group and shall be made in immediately available funds in Dollars, no later than 2:00 p.m. on the date specified herein. Any payment received by Agent later than 2:00 p.m. shall be deemed to have been received (unless Agent, in its sole discretion, elects to credit it on the date received) on the following Business Day and any applicable interest or fee shall continue to accrue until such following Business Day.

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

(b) **Apportionment and Application**.

(i) So long as no Application Event has occurred and is continuing, and except as otherwise provided herein with respect to Defaulting Lenders, all principal and interest payments received by Agent shall be apportioned ratably among the Lenders (according to the unpaid principal balance of the DIP Facility Obligations to which such payments relate held by each Lender) and all payments of fees and expenses received by Agent (other than fees or expenses that are for Agent's separate account) shall be apportioned ratably among the Lenders having a Pro Rata Share of the outstanding DIP Loans to which a particular fee or expense relates. Subject to Section 2.4(b)(iv) and Section 2.4(e), all payments in respect of DIP Facility Obligations to be made hereunder by Borrower shall be remitted to Agent and all such payments, and all proceeds of DIP Collateral securing DIP Facility Obligations received by Agent, shall be applied, so long as no Application Event has occurred and is continuing and except as otherwise provided herein with respect to Defaulting Lenders, to reduce the balance of the DIP Loans outstanding and, thereafter, to Borrower (to be wired to any account or accounts

located in the United States specified by Borrower) or such other Person entitled thereto under applicable law.

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

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

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

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

(D) fourth, ratably, to pay any fees or premiums then due to any of the Lenders under the DIP Loan Documents in respect of the DIP Facility Obligations, until paid in full,

(E) fifth, ratably, to pay interest accrued in respect of the DIP Loans, until paid in full,

(F) sixth, ratably, to pay the principal of all DIP Loans, until paid in full,

(G) seventh, ratably to pay any other DIP Facility Obligations, and

(H) eighth, to Borrower (to be wired to any account or accounts in the United States specified by Borrower) or such other Person entitled thereto under applicable law.

(iii) Agent promptly shall distribute to each Lender, pursuant to the applicable wire instructions received from each Lender in writing, such funds as it may be entitled to receive.

(iv) In each instance, so long as no Application Event has occurred and is continuing, Section 2.4(b)(i) shall not apply to any payment made by Borrower to Agent and specified by Borrower to be for the payment of specific DIP Facility Obligations then due and payable (or prepayable) under any provision of this Agreement or any other DIP Loan Document.

(v) For purposes of Section 2.4(b)(ii), "paid in full" of a type of DIP Facility Obligation means payment in Dollars in cash or immediately available funds of all amounts owing on account of such type of DIP Facility Obligation.

(vi) In the event of a direct conflict between the priority provisions of this Section 2.4 and any other provision contained in this Agreement or any other DIP Loan Document (excluding the Intercreditor Agreement, which shall control and govern in any event), it is the intention of the parties hereto that such provisions be read together and construed, to the fullest extent possible, to be in concert with each other. In the event of any actual, irreconcilable conflict that cannot be resolved as aforesaid, if the conflict relates to the provisions of this Section 2.4, then the terms and provisions of this Section 2.4 shall control and govern.

(c) **Optional Prepayments**. Borrower may prepay the principal of the DIP Loans at any time in whole or in part upon written notice, subject to the payment of any fees, premiums or other amounts owed under the Fee Letter and subject to any Funding Losses pursuant to Section 2.12(b)(ii), to Agent prior to 1:00 P.M., New York City time three Business Days prior to the date of prepayment (in the case of LIBOR Rate Loans), or prior to 1:00 P.M., New York City time at least one Business Day prior to the date of prepayment (in the case of Base Rate Loans). Such notice shall specify, in the case of any prepayment of DIP Loans, the date and amount of prepayment and whether the prepayment is of LIBOR Rate Loans or Base Rate Loans or a combination thereof, and, in each case if a combination thereof, the principal amount allocable to each. Any such notice may state that such notice is conditioned upon the occurrence or non-occurrence of any event specified therein (including the effectiveness of other credit facilities), in which case such notice may be revoked by Borrower (by written notice to Agent on or prior to the specified effective date) if such condition is not satisfied. Upon the receipt of any such notice Agent shall promptly notify each affected Lender thereof. If any such notice is given and not revoked, the amount specified in such notice shall be due and payable on the date specified therein, together with (if a LIBOR Rate Loan is prepaid other than at the end of the Interest Period applicable thereto) any accrued and unpaid interest on the DIP Loans being repaid and amounts payable pursuant to Section 2.12(b)(ii). Any prepayment of LIBOR Rate Loans shall be in a principal amount of $500,000 or a whole multiple of $100,000 in excess thereof; and any prepayment of Base Rate Loans shall be in a principal amount of $500,000 or a whole multiple of $100,000 in excess thereof or, in each case, if less, the entire principal amount thereof then outstanding. Agent shall apply any such optional prepayment to the outstanding amount of DIP Loans.

(d) **Mandatory Prepayments**.

(i) **Repayment of DIP Loans**.

(A) Borrower hereby unconditionally promises to pay to Agent for the ratable account of each Lender the then unpaid principal amount of, and unpaid accrued interest on, each DIP Loan of such Lender made to Borrower, on the Maturity Date (or such earlier date on which the DIP Loans become due and payable pursuant to Section 9.1) in cash without further application to or order of the Bankruptcy

Court. Borrower hereby further agrees to pay interest in cash on the unpaid principal amount of such DIP Loans from time to time outstanding from the date hereof until payment in full thereof at the rates per annum, and on the dates, set forth herein.

(B) Notwithstanding the foregoing Section 2.4(d)(i)(A), in lieu of any applicable portion of the cash payments otherwise owed to the Lenders with respect to the DIP Loans, the Lenders may receive non-cash consideration in the form of senior secured debt and equity in the reorganized Loan Parties on the Plan Effective Date of a confirmed Plan if a Plan as contemplated by the RSA is confirmed.

(ii) **Dispositions; Indebtedness; Extraordinary Receipts**. Subject to any provisions of the Intercreditor Agreement to the contrary, (x) Borrower shall, in accordance with Section 2.4(e), prepay the DIP Loans to the extent required by Section 2.4(b)(iii), (y) if on or after the Effective Date, Borrower or any of its Subsidiaries shall Incur Indebtedness for borrowed money (excluding Indebtedness permitted pursuant to Section 6.1), Borrower shall, in accordance with Section 2.4(e), prepay the DIP Loans in an amount equal to 100% of the Net Cash Proceeds thereof with such prepayment to be made on or before the fifth Business Day following notice given to each Lender of the Prepayment Date, as contemplated by Section 2.4(f), and (z) promptly upon receipt by any Loan Party of cash proceeds from any Extraordinary Receipt, Borrower shall prepay the DIP Loans in an aggregate amount equal to 100% of the Net Cash Proceeds of such Extraordinary Receipt in accordance with Section 2.4(e). Any prepayment pursuant to this Section 2.4(d)(ii) shall be accompanied by any accrued and unpaid interest on the DIP Loans being repaid and amounts payable pursuant to Section 2.12.

(iii) **Asset Dispositions**. Subject to any provisions of the Intercreditor Agreement to the contrary, in the event that on or after the Effective Date the Borrower or any Loan Party shall make an asset disposition of DIP Collateral that is not permitted by Section 6.4, or a Recovery Event in respect of DIP Collateral shall occur, an amount equal to 100% of the Net Cash Proceeds from such asset disposition or Recovery Event shall be applied by the Borrower (or any Loan Party, as the case may be) as follows: (x) to the extent such asset disposition or Recovery Event is an asset disposition or Recovery Event of assets that constitute DIP Collateral (other than ABL Priority Collateral), to prepay the DIP Loans in accordance with Section 2.4(d)(ii)(x) and (y) to the extent such asset disposition is an asset disposition of ABL Priority Collateral or assets that do not constitute DIP Collateral, subject to the terms of the DIP Orders and the Intercreditor Agreement, to prepay the DIP Loans in accordance with Section 2.4(d)(ii)(x); provided, however, that, so long as no Default or Event of Default has occurred and is continuing, Net Cash Proceeds from insurance or condemnation proceeds shall not be required to be applied to prepay the DIP Loans to the extent Borrower delivers to Agent a certificate stating that the Loan Parties intend to use such Net Cash Proceeds to acquire capital assets useful to the business of the Loan Parties within thirty (30) days of the receipt of such Net Cash Proceeds, it being expressly agreed that any Net Cash Proceeds not so reinvested shall be applied to prepay the DIP Loans immediately thereafter. Notwithstanding the foregoing, with respect to any Foreign Asset Sale, Borrower may elect in a written notice to Agent delivered not later than

when Borrower delivers the notice to Agent pursuant to Section 2.4(f) to reduce the amount of such prepayment by the amount of any Restricted Asset Sale Proceeds included in such Net Cash Proceeds; provided, that (i) if the amount of Restricted Asset Sale Proceeds is at any time, and from time to time, reduced either as a result of (x) the circumstances described in clause (a) of the definition thereof ceasing to apply, or (y) the elimination of a prohibition or a change in a restriction described in clause (b) of the definition thereof, Borrower shall repatriate the amount by which the Restricted Asset Sale Proceeds are reduced within five Business Days and apply such amount in accordance with this Section 2.4(d)(iii), and (ii) Borrower shall, and shall cause the applicable Foreign Subsidiary to, use its commercially reasonable efforts (including by taking all commercially reasonable actions required by the applicable law, rule, regulation or contract to permit such repatriation) to repatriate any amounts constituting Restricted Asset Sale Proceeds pursuant solely to clause (b) of the definition thereof as promptly as practicable following the date of such prepayment.

(e) **Mandatory Prepayment Application**. Each prepayment of DIP Loans pursuant to Section 2.4(d) shall be allocated pro rata among the DIP Loans. Amounts prepaid on account of DIP Loans pursuant to Sections 2.4(c) or (d) may not be reborrowed.

(f) **Mandatory Prepayment Notice**. Borrower shall give notice to Agent of any mandatory prepayment of the DIP Loans promptly (and in any event within five Business Days) upon becoming obligated to make such prepayment. Such notice shall state the date on which Borrower is offering to make or will make such mandatory prepayment (the "Prepayment Date"). Once given, such notice shall be irrevocable and all amounts subject to such notice shall be due and payable on the Prepayment Date. Upon receipt by Agent of such notice, Agent shall promptly give notice to each Lender of the prepayment and the Prepayment Date.

2.5 **Promise to Pay; Promissory Notes.**

(a) Subject to the DIP Order, Borrower agrees to pay the Lender Group Expenses owing by Borrower on the earlier of (i) the first Business Day of the month following the date on which the applicable Lender Group Expenses were first incurred or (ii) the date on which demand therefor is made by Agent. Borrower promises to pay all of the DIP Facility Obligations (including principal, interest, premiums, if any, fees, costs, and expenses (including Lender Group Expenses)) owing by Borrower in full on the Maturity Date or, if earlier, on the date on which such DIP Facility Obligations become due and payable pursuant to the terms of this Agreement. Borrower agrees that its obligations contained in the first sentence of this Section 2.5 shall survive payment or satisfaction in full of all other DIP Facility Obligations.

(b) Any Lender may request that any portion of its DIP Loans made by it be evidenced by one or more promissory notes. In such event, Borrower shall execute and deliver to such Lender the requested promissory notes payable to such Lender and its registered assigns in a form furnished by Agent and reasonably satisfactory to Borrower. Thereafter, the portion of the DIP Loans evidenced by such promissory notes and interest thereon shall at all times be represented by one or more promissory notes in such form payable to the payee named therein.

2.6 **Interest Rates: Rates, Payments, and Calculations.**

(a) **Interest Rates**. Except as provided in Section 2.6(c), (i) all LIBOR Rate Loans shall bear interest at a per annum rate equal to the LIBOR Rate plus 7.00% and (ii) all Base Rate Loans shall bear interest at a per annum rate equal to the Base Rate plus 6.00%.

(b) **[Intentionally Omitted]**.

(c) **Default Rate**. Automatically upon the occurrence of an Event of Default described in Section 8.1, (x) all the DIP Loans shall bear interest at a default rate of interest equal to an additional 2.00% per annum over the rate otherwise applicable and (y) all other DIP Facility Obligations under the DIP Loan Documents that are past due shall bear interest at a default rate of interest equal to (I) in the case of past due interest, the default rate applicable to the DIP Loans giving rise to such interest and (II) in the case of all such other DIP Facility Obligations, the default rate applicable to Base Rate Loans whether or not such Base Rate Loans are actually outstanding at such time, and, in each case, all such interest will be payable on demand.

(d) **Payment**. Except to the extent provided to the contrary in Section 2.12(a), (i) all interest (other than interest due on LIBOR Rate Loans) shall be due and payable, in arrears, on the last Business Day of each calendar quarter, and (ii) all costs and expenses payable hereunder or under any of the other DIP Loan Documents and all Lender Group Expenses shall be due and payable on the earlier of (x) the first Business Day of the month following the date on which the applicable costs, expenses, or Lender Group Expenses were first incurred or (y) the date on which demand therefor is made by Agent. All interest in respect of LIBOR Rate Loans shall be due and payable as provided in Section 2.12(a)

(e) **Computation**. All interest and fees chargeable under the DIP Loan Documents shall be computed on the basis of a 360 day year, in each case, for the actual number of days elapsed in the period during which the interest or fees accrue; provided that Base Rate Loans shall be calculated on the basis of a 365 day year (or a 366 day year, in the case of a leap year). In the event the Base Rate is changed from time to time hereafter, the rates of interest hereunder based upon the Base Rate automatically and immediately shall be increased or decreased by an amount equal to such change in the Base Rate.

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

2.7 **Crediting Payments**. The receipt of any payment item by Agent shall not be required to be considered a payment on account unless such payment item is a wire transfer of immediately available federal funds in Dollars made to Agent's Account or unless and until such payment item is honored when presented for payment. Should any payment item not be honored when presented for payment, then Borrower shall be deemed not to have made such payment and interest shall be calculated accordingly. Anything to the contrary contained herein notwithstanding, any payment item shall be deemed received by Agent only if it is received into Agent's Account on a Business Day on or before 4:30 p.m. If any payment item is received into Agent's Account on a non-Business Day or after 4:30 p.m. on a Business Day (unless Agent, in its sole discretion, elects to credit it on the date received), it shall be deemed to have been received by Agent as of the opening of business on the immediately following Business Day.

2.8 **[Intentionally Omitted]**.

2.9 **[Intentionally Omitted]**.

2.10 **Fees**.

(a) Borrower shall pay to Agent and each Lender, as and when due and payable under the terms of the Fee Letter, the fees set forth in the Fee Letter.

(b) Borrower agrees to pay to the Agent, for the ratable benefit of the Lenders having DIP Loan Commitment exposure, a fee calculated at a rate per annum equal to 0.50% on the average daily unused portion of the DIP Loan Commitments, payable in arrears on the last Business Day of each calendar quarter.

2.11 **[Intentionally Omitted]**.

2.12 **LIBOR Option**.

(a) **Interest and Interest Payment Dates.** In lieu of having interest charged at the rate based upon the Base Rate, Borrower shall have the option, subject to Section 2.12(b) below (the "LIBOR Option"), to have interest on all or a portion of the DIP Loans be charged (whether at the time when made (unless otherwise provided herein), upon conversion from a Base Rate Loan to a LIBOR Rate Loan, or upon continuation of a LIBOR Rate Loan as a LIBOR Rate Loan) at a rate of interest based upon the LIBOR Rate. Interest on LIBOR Rate Loans shall be payable on the earliest of (i) the last day of the Interest Period applicable thereto; provided that, subject to the following clauses (ii) and (iii), in the case of any Interest Period greater than 3 months in duration, interest shall be payable at 3 month intervals after the commencement of the applicable Interest Period and on the last day of such Interest Period, (ii) the date on which all or any portion of the DIP Facility Obligations are accelerated pursuant to the terms hereof, or (iii) the date on which this Agreement is terminated pursuant to the terms hereof. On the last day of each applicable Interest Period, unless Borrower has properly exercised the LIBOR Rate Option with respect thereto, the interest rate applicable to such LIBOR Rate Loan automatically shall convert to the rate of interest then applicable to Base Rate Loans of the same type hereunder. At any time that an Event of Default has occurred and is continuing, at the written election of Agent or the Required Lenders, Borrower no longer shall have the option to request that DIP Loans bear interest at a rate based upon the LIBOR Rate.

(b) **LIBOR Election**.

(i) Borrower may, at any time and from time to time, so long as Borrower has not received a notice from Agent (which notice Agent may elect to give or not give in its discretion unless Agent is directed to give such notice by the Required Lenders, in which case, it shall give the notice to Borrower), after the occurrence and during the continuance of an Event of Default, exercising Lenders' rights to terminate the right of Borrower to exercise the LIBOR Option during the continuance of such Event of Default, elect to exercise the LIBOR Option by notifying Agent prior to 1:00 p.m. at least 3 Business Days prior to the commencement of the proposed Interest Period (the "LIBOR Deadline"). The election of the LIBOR Option by Borrower for a permitted portion of its DIP Loans and an Interest Period pursuant to this Section shall be made by delivery to Agent of a LIBOR Notice received by Agent before the LIBOR Deadline, or by telephonic notice received by Agent before the LIBOR Deadline (to be confirmed by delivery to Agent of a LIBOR Notice received by Agent prior to 5:00 p.m. on the same day). Promptly upon its receipt of each such LIBOR Notice, Agent shall provide a copy thereof to each of the affected Lenders.

(ii) Each LIBOR Notice shall be irrevocable and binding on Borrower. In connection with each LIBOR Rate Loan, Borrower shall indemnify, defend, and hold Agent and the Lenders harmless against any loss, cost, or expense actually incurred by Agent or any Lender as a result of (A) the payment of any principal of such LIBOR Rate Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (B) the conversion of such LIBOR Rate Loan other than on the last day of the Interest Period applicable thereto, or (C) the failure to borrow, convert, continue or prepay any LIBOR Rate Loan on the date specified in such LIBOR Notice delivered pursuant hereto (such losses, costs, or expenses, "Funding Losses"). A certificate of Agent or a Lender delivered to Borrower setting forth in reasonable detail any amount or amounts that Agent or such Lender is entitled to receive pursuant to this Section 2.12 shall be conclusive absent manifest error. Borrower shall pay such amount to Agent or the Lender, as applicable, within 30 days of the date of its receipt of such certificate.

(iii) Unless Agent, in its sole discretion, agrees otherwise, Borrower shall have not more than 10 LIBOR Rate Loans in effect at any given time. Borrower may only exercise the LIBOR Option for proposed LIBOR Rate Loans of at least $1,000,000 (and in increments of $500,000 in excess thereof).

(c) **Conversion**. Borrower may convert LIBOR Rate Loans to Base Rate Loans at any time by notifying Agent prior to 1:00 p.m. at least 3 Business Days prior to the date of the proposed conversion; provided that, in the event that LIBOR Rate Loans are converted or prepaid on any date that is not the last day of the Interest Period applicable thereto, including as a result of any prepayment through the required application by Agent of any payments or proceeds of Collateral in accordance with Section 2.4(b) or for any other reason, including early termination of the term of this Agreement or acceleration of all or any portion of the DIP Facility Obligations pursuant to the terms hereof, Borrower shall indemnify, defend, and hold Agent and the Lenders and their Participants harmless against any and all Funding Losses in accordance with Section 2.12 (b)(ii); provided, further, that any such conversions are subject to the minimum amounts set forth in clause (b)(iii) above.

(d) **Special Provisions Applicable to LIBOR Rate**.

(i) The LIBOR Rate may be adjusted by Agent with respect to any Lender on a prospective basis to take into account any additional or increased costs to such Lender of maintaining or obtaining any Eurodollar deposits or increased costs, in each case, due to a Change in Law (including any Change in Law that subjects any Recipient to any Taxes (other than (A) Indemnified Taxes and (B) Excluded Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto) occurring subsequent to the commencement of the then applicable Interest Period, including any changes in the reserve requirements imposed by the Board of Governors, which additional or increased costs would increase the cost of funding or maintaining loans bearing interest at the LIBOR Rate. In any such event, the affected Lender shall give Borrower and Agent notice of such a determination and adjustment and Agent promptly shall transmit the notice to each other Lender and, upon its receipt of the notice from the affected Lender, Borrower may, by notice to such affected Lender (A) require such Lender to furnish to Borrower a statement setting forth in reasonable detail the basis for adjusting such LIBOR Rate and the method for determining the amount of such adjustment, or (B) repay the LIBOR Rate Loans of such Lender with respect to which such adjustment is made (together with any amounts due under Section 2.12(b)(ii)).

(ii) In the event that any change in market conditions or any Change in Law shall, at any time after the date hereof in the reasonable opinion of any Lender, make it unlawful or impractical for such Lender to fund or maintain LIBOR Rate Loans or to continue such funding or maintaining, or to determine or charge interest rates at the LIBOR Rate, such Lender shall give notice of such changed circumstances to Agent and Borrower and Agent promptly shall transmit the notice to each other Lender and (y) in the case of any LIBOR Rate Loans of such Lender that are outstanding, the date specified in such Lender's notice shall be deemed to be the last day of the Interest Period of such LIBOR Rate Loans, and interest upon the LIBOR Rate Loans of such Lender thereafter shall accrue interest at the rate then applicable to Base Rate Loans, and (z) Borrower shall not be entitled to elect the LIBOR Option until such Lender determines that it would no longer be unlawful or impractical to do so.

(e) **No Requirement of Matched Funding**. Anything to the contrary contained herein notwithstanding, neither Agent, nor any Lender, nor any of their respective Participants, is required actually to acquire Eurodollar deposits to fund or otherwise match fund any DIP Facility Obligation as to which interest accrues at the LIBOR Rate.

2.13 **Capital Requirements**.

(a) If, after the date hereof, any Lender determines that (i) any Change in Law regarding capital or reserve requirements for banks or bank holding companies, or (ii) compliance by such Lender, or their respective parent bank holding companies, with any guideline, request or directive of any Governmental Authority regarding capital adequacy or liquidity (whether or not having the force of law), has the effect of reducing the return on such Lender's, or such holding companies' capital as a consequence of such Lender's commitments hereunder to a level below that which such Lender, or such holding companies could have achieved but for such Change in Law or compliance (taking into consideration such Lender's, or

such holding companies' then existing policies with respect to capital adequacy or liquidity and assuming the full utilization of such entity's capital) by any amount deemed by such Lender to be material, then such Lender may notify Borrower and Agent thereof. Following receipt of such notice, Borrower agrees to pay such Lender on demand the amount of such reduction of return of capital as and when such reduction is determined, payable within 30 days after presentation by such Lender of a statement in the amount and setting forth in reasonable detail such Lender's calculation thereof and the assumptions upon which such calculation was based (which statement shall be deemed true and correct absent manifest error). In determining such amount, such Lender may use any reasonable averaging and attribution methods. Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; provided that Borrower shall not be required to compensate a Lender pursuant to this Section for any reductions in return incurred more than 180 days prior to the date that such Lender notifies Borrower of such Change in Law giving rise to such reductions and of such Lender's intention to claim compensation therefor; provided further that if such claim arises by reason of the Change in Law that is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof.

(b) If any Lender requests additional or increased costs referred to in Section 2.12(d)(i) or amounts under Section 2.13(a) or sends a notice under Section 2.12(d)(ii) relative to changed circumstances (such Lender, an "Affected Lender"), then such Affected Lender shall use reasonable efforts to promptly designate a different one of its lending offices or to assign its rights and obligations hereunder to another of its offices or branches, if (i) in the reasonable judgment of such Affected Lender, such designation or assignment would eliminate or reduce amounts payable pursuant to Section 2.12(d)(i) or Section 2.13(a), as applicable, or would eliminate the illegality or impracticality of funding or maintaining LIBOR Rate Loans and (ii) in the reasonable judgment of such Affected Lender, such designation or assignment would not subject it to any material unreimbursed cost or expense and would not otherwise be materially disadvantageous to it. Borrower agrees to pay all reasonable and documented out-of-pocket costs and expenses incurred by such Affected Lender in connection with any such designation or assignment. If, after such reasonable efforts, such Affected Lender does not so designate a different one of its lending offices or assign its rights to another of its offices or branches so as to eliminate Borrower's obligation to pay any future amounts to such Affected Lender pursuant to Section 2.12(d)(i) or Section 2.13(a), as applicable, or to enable Borrower to obtain LIBOR Rate Loans, then Borrower (without prejudice to any amounts then due to such Affected Lender under Section 2.12(d)(i) or Section 2.13(a), as applicable), may, unless prior to the effective date of any such assignment the Affected Lender withdraws its request for such additional amounts under Section 2.12(d)(i) or Section 2.13(a), as applicable, or indicates that it is no longer unlawful or impractical to fund or maintain LIBOR Rate Loans, may designate a substitute Lender reasonably acceptable to Agent to purchase the DIP Facility Obligations owed to such Affected Lender (and its Affiliates) and such Affected Lender's (and its Affiliates') commitments hereunder (a "Replacement Lender"), and if such Replacement Lender agrees to such purchase, such Affected Lender (and its Affiliates) shall assign to the Replacement Lender its DIP Facility Obligations and commitments, and upon such purchase by the Replacement Lender, which such Replacement Lender shall be deemed to be a "Lender" for purposes of this Agreement and such Affected Lender (and its Affiliates) shall cease to be a "Lender" for purposes of this Agreement.

(c) Notwithstanding anything herein to the contrary, the protection of Section 2.13 shall be available to each Lender regardless of any possible contention of the invalidity or inapplicability of the Change in Law which shall have occurred or been imposed, so long as it shall be customary for lenders affected thereby to comply therewith. Notwithstanding any other provision no Lender shall demand compensation pursuant to this Section 2.13 if it shall not at the time be the general policy or practice of such Lender to demand such compensation in similar circumstances under comparable provisions of other credit agreements, if any.

2.14 **Superpriority Nature of DIP Facility Obligations and Agent' DIP Liens.**

(a) The priority of Lenders' DIP Liens on the DIP Collateral owned by the Loan Parties shall be set forth in the Interim DIP Order and the Final DIP Order.

(b) Subject to the Carve-Out, all DIP Facility Obligations shall constitute administrative expenses of Borrower and Guarantors in the Chapter 11 Cases pursuant to Section 364(c) of the Bankruptcy Code with priority over all other claims and administrative expenses of the kinds specified in, or ordered pursuant to, Sections 105, 326, 328, 330, 331, 503(b), 506(c), 507(a), 507(b), 546(c), 726, 1114 or any other provision of the Bankruptcy Code, and shall at all times during the period that the DIP Loans remain outstanding, remain senior in priority to all other claims or administrative expenses (other than the Carve-Out and the ABL DIP Obligations, in each case to the extent as set forth in the DIP Orders) (the "DIP Superpriority Claim").

(c) The DIP Liens granted to Agent for the benefit of the Lenders on the DIP Collateral owned by Borrower and Guarantors shall be valid and perfected on the basis and with the priority set forth in the definition of "DIP Lien" herein and in the DIP Orders.

(d) The "Carve Out" has the meaning assigned to that term in the Interim DIP Order and the Final DIP Order, as applicable.

(e) Except as set forth herein or in the DIP Orders, no other claim having a priority superior or pari passu to that granted to the Agent and the Lenders by the DIP Orders shall be granted or approved while any DIP Facility Obligations under this Agreement remain outstanding. Except for the Carve-Out and subject to entry of the Final DIP Order, no costs or expenses of administration shall be imposed against the Agent, the Lenders or any of the DIP Collateral or any of the Pre-Petition Term Agent, the Pre-Petition Term Lenders or the Collateral (as defined in each of the Pre-Petition Term Facility Agreements) under Sections 105, 506(c) or 552 of the Bankruptcy Code, or otherwise, and each of the Loan Parties hereby waives for itself and on behalf of its estate in bankruptcy, any and all rights under sections 105, 506(c) or 552, or otherwise, to assert or impose or seek to assert or impose, any such costs or expenses of administration against Agent, Lenders or any of the DIP Collateral or any of the Pre-Petition Term Agent or the Pre-Petition Term Lenders.

2.15 **No Discharge; Survival of Claims.** Until payment in full of the DIP Loans and all other DIP Facility Obligations, each of the Borrower and the Guarantors agrees that (a) the DIP Facility Obligations hereunder shall not be discharged by the entry of an order confirming a plan of reorganization or liquidation in any Chapter 11 Case (and each of the Borrower and the Guarantors, pursuant to Section 1141(d)(4) of the Bankruptcy Code, hereby waives any such

discharge) and (b) the DIP Superpriority Claim and the DIP Liens granted to the Agent pursuant to the DIP Orders and described in this Section 2.15 shall not be affected in any manner by the entry of an order confirming a plan of reorganization or liquidation in any Chapter 11 Case.

2.16 **Waiver of any Priming Rights**. On and after the Effective Date, and on behalf of themselves and their estates, and for so long as any DIP Facility Obligations shall be outstanding, the Borrower and the Guarantors hereby irrevocably waive any right, pursuant to Sections 364(c) or 364(d) of the Bankruptcy Code or otherwise, to grant any Lien of equal or greater priority than the DIP Liens securing the DIP Facility Obligations, or to approve a claim of equal or greater priority than the DIP Facility Obligations, in each case other than as contemplated by the ABL DIP Facility Documents.

3. CONDITIONS; TERM OF AGREEMENT.

3.1 **Conditions Precedent to the Effective Date**. As a condition to the effectiveness of this Agreement and the availability of the Interim DIP Loan Commitment, each of the following documents (each in form and substance reasonably satisfactory to the Agent and the Required Lenders unless otherwise indicated) shall have been delivered to the Agent, and the following conditions shall have been satisfied:

(a) Corporate Due Diligence.

(i) The Agent shall have received a certificate of corporate good standing issued by the Secretary of State of each State in which a Loan Party is organized dated as of a recent date prior to the Effective Date.

(ii) The Agent shall have received a copy of the resolutions or equivalent action, in form and substance reasonably satisfactory to the Agent, of the Board of Directors of each Loan Party authorizing, as applicable, (i) the execution, delivery and performance of this Agreement and the other DIP Loan Documents to which it is or will be a party as of the Effective Date, (ii) the Extensions of Credit to such Loan Party (if any) contemplated hereunder and (iii) the granting by it of the DIP Liens to be created pursuant to the Security Documents to which it will be a party as of the Effective Date, certified by a Responsible Officer or other authorized representative of such Loan Party as of the Effective Date, and stating that the resolutions or other action thereby certified have not been amended, modified (except as any later such resolution or other action may modify any earlier such resolution or other action), superseded or revoked in any respect and are in full force and effect as of the Effective Date.

(iii) The Agent shall have received a certificate of each Loan Party, dated as of the Effective Date, as to the incumbency and signature of the officers or other authorized signatories of such Loan Party

executing any DIP Loan Document with respect to such Loan Party on the Effective Date.

(iv) The Agent shall have received copies of the Governing Documents of each Loan Party, in each case certified as of the Effective Date as true, correct and complete copies (as amended through the Effective Date) by (if applicable) the Secretary of State and a Responsible Officer.

(v) The Agent shall have received the Initial Approved Budget attached hereto as Exhibit B-3.

(b) DIP Loan Documents. (A) All material documentation relating to the DIP Facility shall be in form and substance satisfactory to the Agent and the Lenders and their counsel and (B) the Agent shall have received the following DIP Loan Documents, executed and delivered as required below:

(i) this Agreement, executed and delivered by a duly authorized officer of the Borrower;

(ii) the Guaranty and Security Agreement;

(iii) the Intercreditor Agreement; and

(iv) the Fee Letter.

(c) Borrowing Notice. With respect to the Interim DIP Loans, the Agent shall have received a notice of such borrowing as required by Section 2.3(a) and an accompanying funds flow.

(d) The Related Transactions. The Related Transactions required to be performed on or prior to the Effective Date shall have been performed in a manner contemplated in the Related Agreements.

(e) Officers' Certificates. The Agent shall have received a certificate from the Borrower, dated the Effective Date, substantially in the form of Exhibit 3.1 hereto, with appropriate insertions and attachments.

(f) Representations and Warranties. Each of the representations made by or on behalf of the Loan Parties in this Agreement or in any of the other DIP Loan Documents or in any other report, statement, document, or paper provided by or on behalf of a Loan Party shall be true and complete in all material respects as of the date as of which such representation or warranty was made, except in the case of any representation and warranty qualified by materiality, they shall be true and correct in all respects.

(g) Litigation; Judgments. Other than the Chapter 11 Cases, or as stayed upon the commencement of the Chapter 11 Cases, there shall exist no action, suit, investigation, litigation or proceeding pending or threatened in any court or before any arbitrator or

Governmental Authority that (i) except as disclosed, if adversely determined, could reasonably be expected to result in a Material Adverse Effect or (ii) restrains, prevents, prohibits, restricts or imposes materially adverse conditions upon the DIP Facility, the DIP Collateral or the transactions contemplated hereby.

(h) Consents; Absence of Conflicts. Other than the DIP Orders, (i) all governmental and third party consents and approvals necessary in connection with the DIP Facility and the Related Transactions shall have been obtained (without the imposition of any conditions that are not acceptable to the Agent and the Required Lenders in their reasonable discretion) and shall remain in effect, and (ii) there shall not exist any law, regulation, ruling, judgment, order, injunction or other restraint that prohibits, restricts or imposes a materially adverse condition on the DIP Facility or the exercise by the Agent at the direction of the Required Lenders of its rights as a secured party with respect to the DIP Collateral.

(i) Cases. The Loan Parties shall have filed the Petitions with the Bankruptcy Court commencing the Chapter 11 Cases.

(j) Interim DIP Order and First Day Motions. The Agent shall have received a copy of the Interim DIP Order, which Interim DIP Order (i) shall have been entered on the docket of the Bankruptcy Court on or before the Effective Date and (ii) shall be in full force and effect and shall not have been vacated, stayed, reversed, modified or amended in any respect without the written consent of the Agent and the Required Lenders (such consent to be given in their sole discretion) and, if the Interim DIP Order is the subject of a pending appeal in any respect, neither the making of the Interim DIP Loans, nor the performance by the Loan Parties of any of their respective obligations hereunder, under the other DIP Loan Documents or under any other instrument or agreement referred to herein shall be the subject of a presently effective stay pending appeal. Such Interim DIP Order shall authorize and approve the DIP Loans, this Agreement and the DIP Loan Documents contemplated hereby and thereby. All "first day" motions to be filed with and submitted to the Bankruptcy Court on the Petition Date and related orders to be entered by the Bankruptcy Court shall be in form and substance reasonably satisfactory to the Agent and the Required Lenders.

(k) Motions and Documents. All material motions and other material documents to be filed with and submitted to the Bankruptcy Court related to the DIP Facility and the approval thereof shall be in form and substance reasonably satisfactory to the Agent and the Required Lenders.

(l) ABL DIP Facility Documents. The ABL DIP Facility Agreement and the other ABL DIP Facility Documents shall have been duly executed and delivered by the parties thereto, and shall be in full force and effect and shall be in form and substance reasonably satisfactory to the Agent and the Required Lenders.

(m) Validity and Priority of DIP Liens. Pursuant to the Interim DIP Order, the Agent, for the benefit of the Lenders, shall have a valid and perfected DIP Lien on and security interest in the DIP Collateral on the basis and with the priority set forth in the definition of "DIP Lien" herein and in the Interim DIP Order.

(n) Insurance. Upon request of the Agents, the Borrower shall obtain endorsements naming the Agent, on behalf of the Lenders, as an additional insured or loss payee, as applicable, under all insurance policies to be maintained with respect to the properties of the Loan Parties and their Subsidiaries forming part of the DIP Collateral, which endorsements shall provide for 30 days' (or 10 days for failure to pay premiums) prior notice of cancellation of such policies to be delivered to the Agent; provided that in the event such endorsements are not delivered on the Effective Date, Borrower shall provide such endorsements within thirty (30) days of the Effective Date.

(o) All Fees and Expenses Paid. All fees due at or immediately after the first funding under the DIP Facility and all reasonable and documented out-of-pocket costs, disbursements and expenses incurred by the Agent in connection with the establishment of the DIP Facility contemplated hereby, the Chapter 11 Cases and the Recognition Proceedings shall have been paid (to the extent then invoiced), including without limitation all reasonable and documented fees and out-of-pocket expenses of (i) the Agent's counsel, King & Spalding LLP, Agent's Canadian counsel, Blakes, Cassels & Graydon LLP, Agent's prior counsel, Winston & Strawn LLP, and, to the extent necessary, a firm of local counsel engaged by the Agent in connection with the Chapter 11 Cases, and (ii) any financial advisor retained by the Agent (if any).

(p) [reserved].

(q) RSA. The Agent shall have received an executed copy of the RSA, in form and substance satisfactory to the Agent and the Required Lenders.

(r) PATRIOT Act. The Agent and the Lenders shall have received at least one Business Day prior to the Effective Date all documentation and other information about the Loan Parties required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including without limitation the PATRIOT Act that has been reasonably requested in writing at least 3 Business Days prior to the Effective Date.

(s) Investment Banker. The Loan Parties shall have filed an application seeking the retention of an investment banker reasonably acceptable to the Agent and the Required Lenders (it being understood that Houlihan Lokey is acceptable to the Agent and the Required Lenders).

3.2 **Conditions Precedent to Funding on the Final Order Effective Date** . As a condition to the availability of the Final DIP Loan Commitments on or after the Final Order Effective Date and the Budget Advance Date DIP Loans on the Budget Advance Date, the following conditions shall have been satisfied:

(a) Final DIP Order. The Agent and the Required Lenders shall have received a copy of the Final DIP Order, which Final DIP Order (i) shall have been entered on the docket of the Bankruptcy Court on or before the date that is 40 calendar days after the Petition Date and (ii) shall be in full force and effect and shall not have been vacated, stayed, reversed, modified or amended in any respect without the written consent of the Agent and the Required Lenders (such consent to be given in their sole discretion); and, if the Final DIP Order is the subject of a

pending appeal in any respect, neither the making of the Final DIP Loans, nor the performance by the Loan Parties of any of their respective obligations hereunder, under the other DIP Loan Documents or under any other instrument or agreement referred to herein shall be the subject of a presently effective stay pending appeal. Such Final DIP Order shall authorize and approve the DIP Loans, this Agreement and the DIP Loan Documents contemplated hereby and thereby. All material motions, material orders and other material documents to be filed with and submitted to the Bankruptcy Court in connection therewith shall be in form and substance reasonably satisfactory to the Agent and the Required Lenders.

(b) Insurance. The endorsements (if any) required under Section 3.1(n) shall have been delivered to the Agent.

3.3 **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 the Effective Date, the Final Order Effective Date and the Budget Advance Date) is subject to the satisfaction or waiver of the following conditions precedent:

(a) Representations and Warranties. Each of the representations and warranties made by any Loan Party pursuant to this Agreement or any other DIP Loan Document (or in any amendment, modification or supplement hereto or thereto) to which it is a party, and each of the representations and warranties contained in any certificate furnished at any time by or on behalf of any Loan Party pursuant to this Agreement or any other DIP Loan Document shall, except to the extent that they relate to a particular date (in which case such representations and warranties shall be true and correct in all material respects on and as of such particular date), be true and correct in all material respects (without duplication of any materiality qualifier contained therein) on and as of such date as if made on and as of such date, in each case immediately prior to, and immediately after giving effect to, the funding of any DIP Loans.

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

(c) Notice. The Agent shall have received a notice of borrowing as required by Section 2.3(a).

(d) Law. Other than the DIP Orders, there shall not exist any law, regulation, ruling, judgment, order, injunction or other restraint that prohibits, restricts or imposes a materially adverse condition on the DIP Facility or the exercise by the Agent at the direction of the Lenders of its rights as a secured party with respect to the DIP Collateral.

(e) No MAE. Other than the commencement and continuation of the Chapter 11 Cases, no Material Adverse Effect shall have occurred.

(f) No injunction. The making of such DIP Loan shall not (i) violate any (x) applicable laws, rules, regulations, executive orders, or codes that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect, or (y) result in or cause a default with respect to any final judgments, writs, injunctions, decrees, rules or regulations of any court or any federal, state, municipal or other governmental department,

commission, board, bureau, agency or instrumentality, domestic or foreign, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect and (ii) not be enjoined temporarily, preliminarily or permanently.

(g) Compliance with Approved Budget. The use of proceeds of such DIP Loan giving effect to the application thereof on the date of such funding complies with the Approved Budget, subject to Permitted Variances, or has otherwise been approved in writing by the Agent (at the direction of the Required Lenders, in their sole discretion).

(h) DIP Orders. The DIP Orders, as applicable, shall have been entered by the Bankruptcy Court and shall be in full force and effect.

Each borrowing of DIP Loans by the Borrower hereunder shall constitute a representation and warranty by the Borrower as of the date of such borrowing that the conditions contained in this Section 3.3 have been satisfied.

4. REPRESENTATIONS AND WARRANTIES.

In order to induce the Lender Group to enter into this Agreement and to make the Extensions of Credit requested to be made by it on the Effective Date and the Final Order Effective Date, each of Parent and Borrower makes, as of the Effective Date, each of following representations and warranties to the Lender Group:

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

(a) Each Loan Party (i) is duly organized or incorporated and existing and in good standing (or, if such jurisdiction does not provide for good standing status, the equivalent status provided for in such jurisdiction) under the laws of the jurisdiction of its organization or incorporation, (ii) is qualified or registered to do business in any state, province or territory where the failure to be so qualified could reasonably be expected to result in a Material Adverse Effect, and (iii) has all requisite power and authority to own and operate its properties, to carry on its business as now conducted and as proposed to be conducted, to enter into the DIP Loan Documents to which it is a party and to carry out the transactions contemplated thereby.

(b) Other than as described on Schedule 4.1(b), as of the Effective Date, there are no subscriptions, options, warrants, or calls relating to any shares of Parent's Equity Interests, including any right of conversion or exchange under any outstanding security or other instrument. As of the Effective Date, other than pursuant to any equity compensation plan or arrangement benefiting, or pursuant to any agreement with, any current or former employer, officer, director or consultant of any Loan Party, Parent is not subject to any obligation (contingent or otherwise) to repurchase or otherwise acquire or retire any shares of its Equity Interests or any security convertible into or exchangeable for any of its Equity Interests.

(c) As of the Effective Date, set forth on Schedule 4.1(c) is a complete and accurate list of Parent's Subsidiaries, showing: (i) the number of shares of each class of common and preferred Equity Interests authorized for each of such Subsidiaries, and (ii) the number and the percentage of the outstanding shares of each such class owned by Parent or a Subsidiary of

Parent. All of the outstanding Equity Interests of each such Subsidiary have been validly issued and are fully paid and non-assessable, to the extent applicable.

(d) As of the Effective Date, except as set forth on Schedule 4.1(d), there are no subscriptions, options, warrants, or calls relating to any shares of Parent's Subsidiaries' Equity Interests, including any right of conversion or exchange under any outstanding security or other instrument.

4.2 **Due Authorization; No Conflict**.

(a) Subject to the entry by the Bankruptcy Court of the Interim DIP Order and Final DIP Order, as applicable as to each Loan Party, the execution, delivery, and performance by such Loan Party of the DIP Loan Documents to which it is a party have been duly authorized by all necessary action on the part of such Loan Party.

(b) Subject to the entry by the Bankruptcy Court of the Interim DIP Order and Final DIP Order, as applicable, and as to each Loan Party, the execution, delivery, and performance by such Loan Party of the DIP Loan Documents to which it is a party do not and will not (i) violate any provision of federal, state, provincial, foreign or local law or regulation applicable to any Loan Party or its Subsidiaries or any order, judgment, or decree of any court or other Governmental Authority binding on any Loan Party or its Subsidiaries, where any such violation individually or in the aggregate could reasonably be expected to have a Material Adverse Effect, (ii) violate the Governing Documents of any Loan Party or its Subsidiaries, (iii) conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under any agreement of any Loan Party or its Subsidiaries where any such conflict, breach or default could individually or in the aggregate reasonably be expected to have a Material Adverse Effect, (iv) result in or require the creation or imposition of any Lien of any nature whatsoever upon any assets of any Loan Party, other than Permitted Liens, or (v) require any approval of any holder of Equity Interests of a Loan Party or any approval or consent of any Person under any material agreement of any Loan Party, other than consents or approvals that have been obtained and that are still in force and effect and except, in the case of material agreements, for consents or approvals, the failure to obtain could not individually or in the aggregate reasonably be expected to cause a Material Adverse Effect.

4.3 **Governmental Consents**. Subject to the entry by the Bankruptcy Court of the Interim DIP Order and Final DIP Order, as applicable, the execution, delivery, and performance by each Loan Party of the DIP Loan Documents to which such Loan Party is a party do not and will not require any registration with, consent, or approval of, or notice to, or other action with or by, any Governmental Authority, other than registrations, consents, approvals, notices or actions (i) that have been obtained and that are in force and effect (other than for filings and recordings with respect to DIP Collateral to be made, or otherwise delivered to the Agent for filing or recordation, as of the Effective Date), (ii) are necessary or advisable in connection with releasing existing liens or filing Agent's DIP Liens, or (iii) the failure of which to receive would not reasonably be expected to cause a Material Adverse Effect.

4.4 **Binding Obligations**. Subject to the entry by the Bankruptcy Court of the Interim DIP Order and Final DIP Order, each DIP Loan Document has been duly executed and

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

4.5 **Title to Assets; No Encumbrances**. Each Loan Party has (a) good and sufficient legal title (in the case of any fee interest in Real Property), (b) valid leasehold interest in (in the case of leasehold interests in real or personal property), and (c) good and marketable title to (in the case of all other personal property) all of its material assets, in each case, free and clear of Liens except for Permitted Liens and, in the case of Real Property, minor defects in title that do not materially interfere with such Loan Party's ability to conduct its business or to utilize such assets for their intended purposes.

4.6 **Litigation**. Other than the filing, commencement and continuation of the Chapter 11 Cases and as listed on Schedule 4.6(a) and/or any litigation resulting therefrom, there are no actions, suits, or proceedings pending or, to the actual knowledge of Borrower or any Guarantor, threatened in writing against a Loan Party or any of its Subsidiaries that either individually or in the aggregate could reasonably be expected to result in a Material Adverse Effect.

4.7 **Compliance with Laws**. Except as otherwise permitted by an order of the Bankruptcy Court, no Loan Party nor any of its Subsidiaries (a) is in violation of any applicable laws, rules, regulations, executive orders, or codes that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect, or (b) is subject to or in default with respect to any final judgments, writs, injunctions, decrees, rules or regulations of any court or any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect.

4.8 **No Material Adverse Effect**. All financial statements (other than Projections, budgets, other forecasts and comparisons) relating to Loan Parties and their Subsidiaries that have been delivered by any Loan Party to the Lender Group have been prepared in accordance with GAAP (except, in the case of unaudited financial statements, for the lack of footnotes and being subject to year-end audit adjustments) and present fairly in all material respects, Loan Parties' and their Subsidiaries' (taken as a whole) financial condition as of the date thereof and results of operations for the period then ended. Except the filing, commencement and continuation of the Chapter 11 Cases and any litigation resulting therefrom, there has not been a Material Adverse Effect with respect to Loan Parties and their Subsidiaries since the Effective Date.

4.9 **No Default**. No Loan Party nor any of their Subsidiaries are in default under any of the DIP Loan Documents.

4.10 **Employee Benefits**.

(a) Except as set forth on Schedule 4.10, no Loan Party, nor any of their Subsidiaries, maintains or contributes to any Pension Plan or Multiemployer Plan.

(b) Each Loan Party has complied in all material respects with ERISA, the IRC and all applicable laws regarding each Employee Benefit Plan, except where the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

(c) Each Employee Benefit Plan is, and has been, maintained in substantial compliance with ERISA, the IRC, all applicable laws and the terms of each such Employee Benefit Plan, except where the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

(d) Except as could not reasonably be expected to result in a Material Adverse Effect, each Employee Benefit Plan that is intended to qualify under Section 401(a) of the IRC has received a favorable determination letter from the Internal Revenue Service or an application for such letter is currently being processed by the Internal Revenue Service, and nothing has occurred which could reasonably be expected to prevent, or cause the loss of, such qualification.

(e) Except as could not reasonably be expected to result in a Material Adverse Effect, no liability to the PBGC (other than for the payment of current premiums which are not past due) by any Loan Party or ERISA Affiliate has been incurred or is expected by any Loan Party or ERISA Affiliate to be incurred with respect to any Pension Plan.

(f) Except as could not reasonably be expected to result in a Material Adverse Effect, no Notification Event exists or has occurred in the past six (6) years.

(g) Except as could not reasonably be expected to result in a Material Adverse Effect, no Loan Party or ERISA Affiliate has provided any security under Section 436 of the IRC.

(h) Except as set forth on Schedule 4.10, no Loan Party, nor any of their Subsidiaries, maintains or contributes to any Canadian Pension Plan. No Loan Party, nor any of their Subsidiaries, maintains or contributes to any Canadian Defined Benefit Plan. Except as set forth on Schedule 4.10, as of the Effective Date, no Loan Party, nor any of their Subsidiaries, maintains or contributes to any material Canadian Benefits Plan. Each Loan Party has complied with the *Income Tax Act* (Canada) and all applicable laws regarding each Canadian Pension Plan or Canadian Benefits Plan, except in each case where the failure to do so could not reasonably be expected to result in a Material Adverse Effect. Each Canadian Pension Plan or Canadian Benefits Plan is, and has been maintained in compliance to the *Income Tax Act* (Canada), all applicable laws and the terms of each such Canadian Benefits Plan, except in each case where the failure to do so could not reasonably be expected to result in a Material Adverse Effect. No Loan Party, nor any of their Subsidiaries, has any liability for any Canadian Pension Plan or Canadian Benefits Plan which has been discontinued, except as could not reasonably be expected to result in a Material Adverse Effect.

4.11 **Environmental Condition**. Except as set forth on Schedule 4.11, (a) to Borrower's knowledge, none of Loan Parties' or their Subsidiaries' properties has ever been used by Loan Parties, their Subsidiaries, or, to Borrower's knowledge, by previous owners or operators in the disposal of, or to produce, store, handle, treat, release, or transport, any Hazardous Materials, where such use, disposal, production, storage, handling, treatment, or

release or transport was in violation of any applicable Environmental Law or resulted in an Environmental Action, except as would not reasonably be expected to result in a Material Adverse Effect, (b) to Borrower's knowledge, none of Loan Parties' nor their Subsidiaries' properties or assets has ever been designated or identified by a Governmental Authority pursuant to RCRA, CERCLA or any analogous statute as a Hazardous Materials disposal site or a site that requires Remedial Action, in either case that could reasonably be expected to result in a Material Adverse Effect, (c) no Environmental Lien (other than a Permitted Lien) has attached to any revenues of the Loan Parties or their Subsidiaries or to any Real Property owned by the Loan Parties or their Subsidiaries, or, to Borrower's knowledge, operated, but not owned, by Loan Parties or their Subsidiaries, (d) none of Loan Parties nor any of their Subsidiaries have received a summons, citation, written notice, or directive from the United States Environmental Protection Agency or any other federal (including the federal government of Canada), state or provincial governmental agency concerning any action or omission by any Loan Party or any Subsidiary of a Loan Party resulting in the releasing or disposing of Hazardous Materials into the environment which could reasonably be expected to result in a Material Adverse Effect, (e) each of the Loan Parties, their Subsidiaries, and their respective operations are and have at all times been in compliance with Environmental Laws, except as would not reasonably be expected to result in a Material Adverse Effect, (f) each of the Loan Parties and their Subsidiaries have obtained all permits, licenses, authorizations and approvals required under Environmental Law for the conduct of their business and operations (collectively, "Environmental Permits"), and are in compliance with the terms and conditions of such Environmental Permits, except as would not reasonably be expected to result in a Material Adverse Effect, and (g) none of the Loan Parties nor any of their Subsidiaries are subject to any Environmental Action or Environmental Liability, except as would not reasonably be expected to result in a Material Adverse Effect.

4.12 **Complete Disclosure**.

(a) As of the Effective Date, all written factual information (other than the projections, budgets, estimates, forward-looking statements, information of a general economic nature, general information about Borrower's industry or general market data) (when taken as a whole) furnished by or on behalf of Loan Parties in writing to Agent or any Lender (including all information contained in the Schedules hereto or in the other DIP Loan Documents) in or pursuant to this Agreement, the other DIP Loan Documents, or in connection with any transaction contemplated herein or therein, is (other than the projections, budgets, estimates, forward-looking statements, information of a general economic nature, general information about Borrower's industry or general market data) (when taken as a whole), and hereafter furnished by or on behalf of Loan Parties or their Subsidiaries in writing to Agent or any Lender will be, true and accurate in all material respects on the date as of which such information is dated or certified, and not incomplete by omitting to state any fact necessary to make such information (taken as a whole) not misleading in any material respect at such time in light of the circumstances under which such information was provided.

(b) The Initial Approved Budget and each Weekly Cash Flow Forecast delivered thereafter are prepared in good faith based upon estimates and assumptions believed by management of the Borrower to be reasonable and fair in light of current conditions and facts known to the Borrower at the time delivered (it being understood that such Approved Budget and

the Weekly Cash Flow Forecasts and the assumptions on which they were based, may or may not prove to be correct).

4.13 **Patriot Act; Foreign Corrupt Practices Act**. To the extent applicable, each Loan Party is in compliance, in all material respects, with the (a) Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto, and (b) Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA Patriot Act of 2001) (the "Patriot Act"). No part of the proceeds of the loans made hereunder will be used by any Loan Party or any of their Affiliates, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

4.14 **Chapter 11 Cases**. The Chapter 11 Cases were commenced on the Petition Date in accordance with applicable law and proper notice has been or will be given of (i) the motion seeking approval of the DIP Loan Documents, the Interim DIP Order and the Final DIP Order, (ii) the hearing for the entry of the Interim DIP Order, and (iii) the hearing for the entry of the Final DIP Order, as applicable.

4.15 **Payment of Taxes**. All material tax returns and Tax reports of each Loan Party and its Subsidiaries required to be filed by any of them have been timely filed, and, except to the extent subject to the automatic stay in connection with the Chapter 11 Cases, all material Taxes that are due and payable and all material assessments, fees and other governmental charges upon a Loan Party and its Subsidiaries and upon their respective assets, income, businesses and franchises that are due and payable have been paid when due and payable unless subject to a Permitted Protest. Each Loan Party and each of its Subsidiaries have made adequate provision in accordance with GAAP for all material Taxes not yet due and payable. Neither Borrower nor any Guarantor knows of any proposed material Tax assessment against a Loan Party or any of its Subsidiaries that is not subject to a Permitted Protest.

4.16 **Margin Stock**. No Loan Party nor any of its Subsidiaries owns any Margin Stock or is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any Margin Stock. No part of the proceeds of the loans made to Borrower will be used to purchase or carry any Margin Stock or to extend credit to others for the purpose of purchasing or carrying any Margin Stock or for any purpose that violates the provisions of Regulation T, U or X of the Board of Governors. Neither any Loan Party nor any of its Subsidiaries expects to acquire any Margin Stock.

4.17 **Governmental Regulation**. No Loan Party nor any of its Subsidiaries is subject to regulation under the Federal Power Act or the Investment Company Act of 1940 or under any other federal or state statute or regulation which may limit its ability to incur Indebtedness or which may otherwise render all or any portion of the DIP Facility Obligations unenforceable. No Loan Party nor any of its Subsidiaries is a "registered investment company" or a company

"controlled" by a "registered investment company" or a "principal underwriter" of a "registered investment company" as such terms are defined in the Investment Company Act of 1940.

4.18 **OFAC**. No Loan Party nor any of its Subsidiaries is in violation of any of the country or list based economic and trade sanctions administered and enforced by OFAC. No Loan Party nor any of its Subsidiaries nor, to the knowledge of such Loan Party, any director, officer, employee, agent or Affiliate of such Loan Party or such Subsidiary (a) is a Sanctioned Person or a Sanctioned Entity, (b) has any assets located in Sanctioned Entities, or (c) derives revenues from investments in, or transactions with Sanctioned Persons or Sanctioned Entities. No proceeds of any loan made hereunder will be used to fund any operations in, finance any investments or activities in, or make any payments to, a Sanctioned Person or a Sanctioned Entity, in each case, that would constitute a violation of applicable Laws.

4.19 **Employee and Labor Matters**. (i) There is no unfair labor practice complaint pending or, to the knowledge of Borrower or any Guarantor, threatened against Parent or its Subsidiaries before any Governmental Authority and there is no grievance or arbitration proceeding pending or threatened against Parent or its Subsidiaries which arises out of or under any collective bargaining agreement except as could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, (ii) there is no strike, labor dispute, slowdown, stoppage or labor grievance pending or threatened in writing against Parent or its Subsidiaries that could reasonably be expected to result in a material liability, (iii) none of Parent or its Subsidiaries has incurred any liability or obligation under the Worker Adjustment and Retraining Notification Act or similar state law, which remains unpaid or unsatisfied, (iv) the hours worked and payments made to employees of Parent or its Subsidiaries have not been in violation of the Fair Labor Standards Act or any other applicable legal requirements except to the extent such violations could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, and (v) all payments due from Parent or its Subsidiaries on account of wages and employee health and welfare insurance and other benefits have been paid or accrued as a liability on the books of Parent.

4.20 **[Reserved]**.

4.21 **Broker Fees**. There are no brokerage commissions, finder's fees or investment banking fees payable by Parent or any of its Affiliates in connection with any Transactions.

4.22 **Suppliers and Customers**. To the actual knowledge of the Loan Parties, there exists no actual or threatened in writing termination, cancellation, or limitation of or modification to or change to the business relationship between any Loan Party and any supplier or customer except to the extent such termination, cancellation, limitation, modification or change is not reasonably expected to have a Material Adverse Effect.

4.23 **Security Interest**. This Agreement and the Security Documents, including the DIP Orders, are effective to create in favor of the Agent, for the benefit of the Lenders, legal, valid, enforceable and continuing first priority Liens on, and security interests in, the DIP Collateral pledged hereunder or thereunder, in each case subject to no Liens other than Permitted Priority Liens with the relative priorities granted pursuant to the terms of the Intercreditor Agreement and the DIP Orders, as applicable. Pursuant to the terms of the DIP Orders, no filing

or other action will be necessary to perfect or protect such DIP Liens and security interests. Pursuant to and to the extent provided in the DIP Orders, the Indebtedness of the Loan Parties under this Agreement will constitute part of the DIP Superpriority Claim

4.24 **DIP Orders**. The Loan Parties are in compliance with the terms and conditions of the DIP Orders. Each of the Interim DIP Order (with respect to the period prior to the entry of the Final DIP Order) or the Final DIP Order (from after the date the Final DIP Order is entered) is in full force and effect and has not been vacated, reversed or rescinded without the prior written consent of the Agent and Required Lenders, in their sole discretion.

4.25 **Immaterial Subsidiaries.** As of the Effective Date, each of the Subsidiaries of Parent set forth on Schedule 4.25 have been designated as Immaterial Subsidiaries by Parent and each such Subsidiary satisfies the criteria for such designation.

4.26 **Intellectual Property.** All registered patents, patent applications, trademark registrations, trademark applications, service mark registrations, service mark applications, copyright registrations, copyright applications and tradename registrations owned by each Loan Party as of the Effective Date are set forth on Schedule 4.26 (as such Schedule 4.26 may be updated at any time upon written notice to Agent to reflect any such Intellectual Property (as defined below) acquired after the Effective Date). Each Loan Party and each of its Subsidiaries owns, or has the legal right to use, all United States and foreign patents, patent applications, trademarks, trademark applications, trade names, copyrights, technology, know-how and processes necessary for each of them to conduct its business as currently conducted (the "Intellectual Property") except as would not reasonably be expected to result in a Material Adverse Effect. Except as provided on Schedule 4.26, no claim has been asserted and is pending by any Person against any Loan Party or any of its Subsidiaries challenging or questioning the use of any such Intellectual Property or the validity or effectiveness of any such Intellectual Property, nor does the Borrower know of any such claim, and, to the knowledge of the Borrower, the use of such Intellectual Property by the Loan Parties and their Subsidiaries does not infringe on the rights of any Person, except for such claims and infringements which in the aggregate would not reasonably be expected to be materially adverse to the Lenders.

4.27 **Insurance**. All properties of each Loan Party and its Subsidiaries are insured to the extent required by Section 5.6. Schedule 4.27 sets forth a description of such insurance as of the Effective Date.

4.28 **Purpose of DIP Loans**. The proceeds of DIP Loans shall be used by the Borrower only for the following purposes, in each case in accordance with and subject to compliance with Section 6.19 and the DIP Orders (except as otherwise agreed by the Agent and the Required Lenders): (i) working capital and general corporate purposes of the Loan Parties, (ii) to fund the costs of the administration of the Chapter 11 Cases and the consummation of the Plan under the Bankruptcy Code, (iii) to fund interest, fees, and other payments contemplated in respect of this Agreement and the other DIP Loan Documents, and (iv) to fund allowed administrative expenses incurred during the Chapter 11 Cases.

5. AFFIRMATIVE COVENANTS.

Each of Parent and Borrower covenants and agrees that, until termination of all of the DIP Loan Commitments and payment in full of the DIP Facility Obligations:

5.1 **Financial Statements**. Borrower will deliver to Agent, which shall furnish to each Lender, each of the following:

(a) [reserved];

(b) [reserved];

(c) as soon as available, but in any event no later than 30 days after the end of each fiscal month of each year, an unaudited consolidated balance sheet, income statement, and statement of cash flow covering Parent's and its Subsidiaries' operations during such period, together with a report setting forth comparisons to the corresponding figures for the corresponding periods of the applicable month and year to date period for the previous year and applicable month and year to date period set forth in the Projections; and

(d) all such financial statements delivered pursuant to Section 5.1(c) shall be certified by a Responsible Officer of the Parent to fairly present in all material respects the financial condition of the Parent and its Subsidiaries in conformity with GAAP and to be (and, in the case of any financial statements delivered pursuant to Section 5.1(c) shall be certified by a Responsible Officer of the Parent as being) in reasonable detail and prepared in accordance with GAAP applied consistently throughout the periods reflected therein and with prior periods that began on or after the Effective Date (except, in the case of any financial statements delivered pursuant to Section 5.1(c), for the absence of certain footnotes).

5.2 **Reporting; Certificates; Other Information**. Furnish to the Agent for delivery to each Lender:

(a) following the delivery of the Initial Approved Budget on the Effective Date, (i) by 12:00 p.m. New York City time on the third Friday following the Petition Date and by 12:00 p.m. New York City time on the Friday that is every two weeks thereafter through the Life of the Case, the Borrower shall provide the Agent with an updated cash flow forecast for the Loan Parties and their Subsidiaries, with line item detail of projected sales, disbursements, collections, net cash flow, the outstanding amount of Revolving Loans (as defined in the ABL DIP Facility Documents) and the other items set forth in the Initial Approved Budget for the then-upcoming seventeen (17) week period (or such shorter, or longer, period, as applicable, to coincide with the Life of the Case), in each case, in substance reasonably satisfactory (such satisfaction not to be unreasonably withheld, delayed or conditioned) to and approved by the Agent and substantially consistent with the form of the Initial Approved Budget delivered on the Effective Date (the "Weekly Cash Flow Forecast"); (ii) by 12:00 p.m. New York City time beginning on the third Friday following the Petition Date, and by 12:00 p.m. New York City time on the Friday of each two-week period thereafter, a variance report (the "Variance Report") setting forth, on a consolidated basis, actual cumulative aggregate cash receipts, disbursements and cash flows of the Loan Parties for the most recent three- or two-week period (as applicable) covered by such Variance Report and setting forth all the variances, on a line-item and aggregate

basis, from the amount set forth for such period as compared to the Initial Approved Budget or the most recently Approved Budget delivered prior to such Variance Report on a weekly and cumulative basis for the period from the first week commencing after the Petition Date through the end of the week in regard to which such variance report is being delivered (which shall not exceed what is permitted by the Permitted Variance), and each such Variance Report shall include explanations for all material variances for the most recent three- or two-week period in regard to which such variance report is being delivered and shall be certified by a Financial Officer of the Loan Parties, and (iii) deliver to Agent and Lenders, on at least a bi-weekly (i.e., once every two weeks) basis, a written narrative report of the key performance metrics monitored by management of the Loan Parties regarding the business of the Borrowers and their Subsidiaries, in each case in a form reasonably acceptable to the Agent.

(b) concurrently with the delivery of the financial statements and reports referred to in Section 5.1(c), a certificate signed by a Financial Officer of the Borrower (a "Compliance Certificate"), substantially in the form of Exhibit 5.2(b), stating that, to the best of such Financial Officer's knowledge, each of the Parent and its Subsidiaries during such period has observed or performed all of its covenants and other agreements, and satisfied every condition, contained in this Agreement or the other DIP Loan Documents to which it is a party to be observed, performed or satisfied by it, and that such Financial Officer has obtained no knowledge of any Default or Event of Default, except, in each case, as specified in such certificate.

(c) [reserved].

(d) As soon as possible and in event later than 3 Business Days after Parent or any of its Subsidiaries has knowledge of (i) any event or condition that constitutes a Default or an Event of Default under this Agreement, (ii) any default or event of default under the Pre-Petition Term Facility, the Senior ABL Facility, or the ABL DIP Facility, or (iii) any payment default with respect to other obligations in excess of $100,000 that constitute an administrative expense.

(e) within 5 days after Parent or any of its Subsidiaries has knowledge thereof

(i) notice of any pending or threatened labor dispute, strike, walkout, or union organizing activity with respect to any employees of Parent or any of its Subsidiaries which could reasonably be expected to result in a Material Adverse Effect;

(ii) notice of (i) any material default by Parent or any of its Subsidiaries under or (ii) termination of any material contracts, in each case, which could reasonably be expected to result in a Material Adverse Effect;

(iii) [reserved];

(iv) any amendment, supplement or other modification to the ABL DIP Facility Documents; and

(v) copies of any financial statements or other reports sent to public security holders or filed with the SEC, and copies of any registrations or amendments (including any registration statements and amendments thereto) filed with the SEC.

(f) [reserved].

(g) Except as otherwise provided in Section 5.9(d), within 10 days of receipt by Parent or any of its Subsidiaries, notice of receipt by Parent or any of its Subsidiaries from any local, state or federal authority advising such Person of any Environmental Liability arising from such Person's operations, its premises, its waste disposal practices, or waste disposal sites used by such Person, which Environmental Liability would reasonably be expected to result in a Material Adverse Effect.

(h) On a quarterly basis with the delivery of a Compliance Certificate pursuant to Section 5.2(b) (or, if an Event of Default has occurred and is continuing, more frequently if requested by Agent), a written report regarding Intellectual Property in accordance with Section 7(g)(v) of the Guaranty and Security Agreement.

(i) Concurrently with the delivery by any Loan Party or promptly upon receipt by any Loan Party, as applicable, (i) such collateral reports, certificates and other information delivered pursuant to the ABL DIP Facility Agreement and (ii) any appraisal or field exam prepared in connection with the ABL DIP Facility Agreement.

(j) Upon request by Agent or any Lender, such other reports as to the DIP Collateral or the financial condition of Parent or any of its Subsidiaries, as Agent or such Lender may reasonably request (it being agreed, without limitation, that any such request made following the occurrence and during the continuation of an Event of Default shall be deemed reasonable for purposes of this Section 5.2(j)).

(k) For so long any Small Business Investment Company that becomes a Lender on or after the Effective Date is a Lender, within thirty (30) days of its request, Borrowers shall provide to any such Lender such forms and financial and other information with respect to any business or financial condition of the Loan Parties and their Subsidiaries required by the SBA, including, but not limited to, (i) forms and information with respect to such Lender's reporting requirements under SBA Form 468, (ii) information regarding the full-time equivalent jobs created or retained in connection with such Lender's investment in Loan Parties, the impact of the financing on Loan Parties' business in terms of revenues and profits and on taxes paid by Loan Parties and their employees and (iii) a list of Lenders (other than such Lender).

Documents required to be delivered pursuant to Sections 5.1(c), 5.2(a), 5.2(b), 5.2(c), 5.2(d), 5.2(e), 5.2(f) or 5.2(g) may at the Borrower's option be delivered electronically and, if so delivered, shall be deemed to have been delivered on the date (i) on which Borrower delivers such documents by electronic mail to the Agent or (ii) on which such documents are posted on the Borrower's behalf on an Internet or intranet website, if any, to which each Lender

and each Agent have access (whether a commercial, third party website or whether sponsored by the Agent).

5.3 **Maintenance of Existence and Conduct of Business**.

(a) Except as otherwise permitted by Sections 6.3 and 6.4, Parent will, and will cause each of its Subsidiaries to, at all times preserve and keep in full force and effect each Loan Party's and each Loan Party's Subsidiaries' valid existence and good standing (or, if such jurisdiction does not provide for good standing status, the equivalent status provided for in such jurisdiction) and governmental and similar rights, permits, licenses, authorizations or other approvals and franchises, in each case, if the failure to do so could reasonably be expected to result in a Material Adverse Effect.

(b) Parent will, and will cause each of its Subsidiaries to, (i) take all reasonable actions to maintain all rights, privileges and franchises necessary or desirable in the normal conduct of the business of the Parent and its Subsidiaries, taken as a whole, including all licenses, patents, copyrights, design rights, tradenames, trade secrets and trademarks and take all actions necessary to enforce and protect the validity of any intellectual property right or other right included in the DIP Collateral to the extent that failure to comply therewith, in the aggregate, would not reasonably be expected to be adverse to the Lenders or any Loan Party in any material respect; (ii) maintain a cash management system substantially as in effect on the Petition Date, and (iii) in accordance with the Bankruptcy Code and subject to any required approval by any applicable order of the Bankruptcy Court, comply with all post-petition Contractual Obligations and Contractual Obligations entered into prior to the Petition Date and assumed except to the extent that failure to comply therewith, in the aggregate, would not reasonably be expected to be adverse to the Lenders or any Loan Party in any material respect.

5.4 **Maintenance of Properties**. Parent will, and will cause each of its Subsidiaries to, maintain and preserve all of their properties which are necessary in the proper conduct of their business in working order and condition in the ordinary course of business, ordinary wear, tear, and damage by casualty and condemnation and Permitted Dispositions excepted (and except where the failure to do so could not be expected to result in a Material Adverse Effect).

5.5 **Taxes**. Parent will, and will cause each of its Subsidiaries to, timely file all material tax returns and pay in full before delinquency or before the expiration of any extension period (including any extension by virtue of the Chapter 11 Cases) relating to the payment of all material governmental assessments and Taxes with respect to periods after the Petition Date whether real, personal or otherwise, due and payable by, or imposed, levied, or assessed against it, or any of its assets, including all amounts reflected on its material tax returns, except to the extent that the validity of such governmental assessment or Tax is the subject of a Permitted Protest.

5.6 **Insurance**. Parent will, and will cause each of its Subsidiaries to, at Borrower's expense, (a) maintain insurance respecting each of Parent's and its Subsidiaries' assets wherever located, covering liabilities, losses or damages, in each case, as are customarily insured against by other Persons engaged in the same or similar businesses and similarly situated and located. All such policies of insurance shall be with financially sound and reputable insurance companies

reasonably acceptable to Agent and in such amounts as is carried generally in accordance with sound business practice by companies in similar businesses similarly situated and located and, in any event, in amount, adequacy, and scope reasonably satisfactory to Agent (it being agreed that the amount, adequacy, and scope of the policies of insurance of Borrower in effect as of the Effective Date are acceptable to Agent). All property insurance policies covering the Collateral are to be made payable to Agent for the benefit of Agent and the Lenders, as their interests may appear, in case of loss, pursuant to a standard loss payable endorsement with a standard non-contributory "lender" or "secured party" clause and are to contain such other provisions as Agent may reasonably require to fully protect the Lenders' interest in the Collateral and to any payments to be made under such policies. All certificates of property and general liability insurance are to be delivered to Agent, with the loss payable (but only in respect of Collateral) and additional insured endorsements in favor of Agent and shall provide for not less than 30 days (10 days in the case of non-payment) prior written notice to Agent of the exercise of any right of cancellation. If Parent or its Subsidiaries fail to maintain such insurance, Agent may arrange for such insurance, but at Borrower's expense and without any responsibility on Agent's part for obtaining the insurance, the solvency of the insurance companies, the adequacy of the coverage, or the collection of claims. Borrower shall give Agent prompt notice of any loss exceeding $500,000 covered by its or its Subsidiaries' casualty or business interruption insurance. Upon the occurrence and during the continuance of an Event of Default, Agent shall have the right to file claims under any property and general liability insurance policies in respect of the Collateral, to receive, receipt and give acquittance for any payments that may be payable thereunder, and to execute any and all endorsements, receipts, releases, assignments, reassignments or other documents that may be necessary to effect the collection, compromise or settlement of any claims under any such insurance policies.

5.7 **Inspection**. Parent will, and will cause each of its Subsidiaries to, permit Agent, any Lender (so long as such Lender accompanies Agent), and each of their respective duly authorized representatives or agents to visit any of its properties and inspect any of its assets or books and records, to examine and make copies of its books and records, and to discuss its affairs, finances, and accounts with, and to be advised as to the same by, its officers and employees (provided an authorized representative of Borrower shall be allowed to be present) at such reasonable times and intervals as Agent, as applicable, may designate and, so long as no Default or Event of Default has occurred and is continuing, with reasonable prior notice to Borrower and during regular business hours; provided, that so long as no Event of Default shall have occurred and be continuing, Borrower shall not be obligated to reimburse Agent for more than one (1) inspection during any calendar year. Notwithstanding anything to the contrary in this Section 5.7, none of Parent or any of its Subsidiaries will be required to disclose any such information to the extent that (i) such disclosure would in the good faith determination of Borrower (based on the advice of counsel) violate attorney-client privilege or is otherwise prohibited by law or fiduciary duty, (ii) such information constitutes attorney work, or (iii) such information is subject to confidentiality obligations to a third party (not entered into in contemplation thereof and for which Borrower is using commercially reasonable efforts to lift such confidentiality restrictions) and Agent or the Lenders (as applicable) have not executed any necessary confidentiality agreements or non-reliance letters with respect thereto.

5.8 **Compliance with Laws**. Parent will, and will cause each of its Subsidiaries to, comply with the requirements of all applicable laws, rules, regulations, and orders of any

Governmental Authority, other than laws, rules, regulations, and orders the non-compliance with which, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

5.9 **Environmental**. Parent will, and will cause each of its Subsidiaries to,

(a) keep (i) any real property that any Loan Party owns free of any Environmental Liens, other than Permitted Liens, and (ii) any real property that any Loan Party leases or operates free of any Environmental Liens, other than Permitted Liens, except in the case of each of clauses (i) and (ii) above with respect to any such Environmental Lien that could not reasonably be expected to result in a Material Adverse Effect, or where the Loan Party has posted bonds or other financial assurances sufficient to satisfy the obligations or liability evidenced by any such Environmental Liens,

(b) comply, in all respects, with Environmental Laws, obtain and maintain in full force and effect all Environmental Permits and provide to Agent documentation of any compliance or non-compliance with Environmental Laws which Agent reasonably requests, except, in each case, for any such compliance or non-compliance or failure to comply, obtain or maintain that could not reasonably be expected to result in a Material Adverse Effect,

(c) promptly notify Agent of any release of a Hazardous Material in any reportable quantity from or onto real property owned, leased or operated by any Loan Party and take any Remedial Actions with respect to such releases required to come into compliance with applicable Environmental Law, except with respect to any such releases that would not reasonably be expected to result in a Material Adverse Effect, and

(d) promptly, but in any event within 15 Business Days of its receipt thereof, provide Agent with written notice of any of the following: (i) written notice that an Environmental Lien (other than a Permitted Lien) has been filed against any of the real or personal property of any Loan Party, (ii) written notice of commencement of any Environmental Action or written notice that an Environmental Action will be filed against any Loan Party which Environmental Action could reasonably be expected to result in a Material Adverse Effect, and (iii) written notice of a violation, citation, or other administrative order arising under Environmental Laws with respect to a Loan Party, its operations or any of the real property owned, leased or operated by a Loan Party or for which a Loan Party may be liable, which could reasonably be expected to result in a Material Adverse Effect, and, in each case, to the extent failure to do so could reasonably be expected to cause a Material Adverse Effect, promptly take all action required to address and resolve such Environmental Lien, Environmental Action, violation, citation or other administrative order.

5.10 **Disclosure Updates**. Borrower will, promptly and in no event later than 10 Business Days after obtaining knowledge thereof, notify Agent if any written information, exhibit, or report furnished to the Lender Group (other than the projections, budgets, estimates, forward-looking statements, information of a general economic nature, general information about Borrower's industry or general market data), at the time it was furnished (and when taken as a whole), contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements contained therein (when taken as a whole) not materially

misleading in light of the circumstances in which made. The foregoing to the contrary notwithstanding, any notification pursuant to the foregoing provision will not cure or remedy the effect of the prior untrue statement of a material fact or omission of any material fact nor shall any such notification have the effect of amending or modifying this Agreement or any of the Schedules hereto.

5.11 **[Reserved]**.

5.12 **Further Assurances**. Subject to the limitations and exceptions on creation and perfection set forth herein and in the DIP Orders and the other DIP Loan Documents, Parent will, and will cause each of the other Loan Parties to, at any time upon the reasonable request of Agent, execute or deliver to Agent any and all financing statements, fixture filings, security agreements, pledges, assignments, mortgages, deeds of trust, opinions of counsel, and all other documents (the "Additional Documents") that Agent may reasonably request in form and substance reasonably satisfactory to Agent, to create, perfect (unless perfection is not required by the DIP Loan Documents), and continue perfected (unless perfection is not required by the DIP Loan Documents) or to better perfect (unless perfection is not required by the DIP Loan Documents) Agent's DIP Liens in all of the assets of the Loan Parties, other than Excluded Collateral (whether now owned or hereafter arising or acquired, tangible or intangible, real or personal), to create and perfect DIP Liens (subject to Permitted Liens) in favor of Agent in any Real Property acquired in fee by any Loan Party that is also subject to perfected Liens securing the ABL DIP Facility (or, if the ABL DIP Facility has been paid in full, to the extent such Real Property has a fair market value greater than $1,000,000), and in order to fully consummate all of the transactions contemplated hereby and under the other Loan Documents; provided that (i) the foregoing shall not apply to any Excluded Subsidiary, (ii) no action in any jurisdiction outside of the United States and Canada or required by the laws of any jurisdiction outside of the United States and Canada shall be required in order to create any security interests in assets located or titled outside of the United States or Canada or to perfect any security interests therein (it being understood that there shall be no security agreements or pledge agreements governed under the laws of any jurisdiction outside of the United States and Canada), (iii) no action shall be required to perfect security interests in aircraft, railcars and other assets perfected under a federal filing system (other than intellectual property), and (iv) no action shall be required to perfect any DIP Collateral as to which Agent agrees that the costs of taking such actions are excessive in relation to the benefit to the Lenders of the security to be afforded thereby (the foregoing clauses (i) through (iv) collectively, the "Excluded Actions"). Notwithstanding anything herein or in any other DIP Loan Document to the contrary, the Loan Parties shall not be required to obtain or deliver any consents or approvals from any applicable Chinese Governmental Authority in connection with its 65% pledge of the Equity Interests of Hollander China or PCF (Shanghai) Quality Management Consulting Co., Ltd. To the maximum extent permitted by applicable law, if any Loan Party refuses or fails to execute or deliver any reasonably requested Additional Documents within a reasonable period of time following the request to do so and receipt of execution versions of such Additional Documents, each Loan Party hereby authorizes Agent to execute any such Additional Documents in the applicable Loan Party's name and authorizes Agent to file such executed Additional Documents in any appropriate filing office. In furtherance of, and not in limitation of, the foregoing, each Loan Party shall take such actions as Agent may reasonably request from time to time to ensure that the DIP Facility Obligations are guaranteed by the Guarantors and are secured by substantially

all of the assets of Parent and its Subsidiaries, including all of the outstanding capital Equity Interests of Borrowers and Borrowers' Subsidiaries (subject to exceptions and limitations contained herein and in the other DIP Loan Documents on creation and perfection, including, in so far as the DIP Facility Obligations are concerned, with respect to any Subsidiary described in clause (d) of the definition of Excluded Subsidiary). Notwithstanding anything herein to the contrary, (i) none of the Borrowers shall be required to make any filing or recording in connection with any intellectual property with any jurisdiction outside the United States or Canada, and (ii) the Agent and Lenders agree that they will not require the filing of any mortgages or entry into any control agreements (other than in respect of the TL Deposit Account pursuant to Section 5.19) with respect to the Collateral on the Effective Date, it being understood and agreed that the Required Lenders may, in their reasonable discretion, at any time after the Effective Date require the satisfaction of any requirements for the granting or perfection of liens required or desirable pursuant to any foreign applicable laws, provided, however, that (x) the Loan Parties shall be given a reasonable amount of time to satisfy such requirements and (y) no such request will be made to the extent the costs and burden of doing so reasonably outweigh the benefits to be gained as reasonably determined by the Required Lenders.

5.13 **Compliance with ERISA and the IRC**. In addition to and without limiting the generality of Section 5.8, Parent will and will cause each of its Subsidiaries to, (a) comply with applicable provisions of ERISA and the IRC with respect to all Employee Benefit Plans except where the failure to do so could not reasonably be expected to result in a Material Adverse Effect, (b) without the prior written consent of Agent and the Required Lenders, not take any action or fail to take action which could reasonably be expected to result in a Loan Party or ERISA Affiliate incurring a liability to the PBGC or to a Multiemployer Plan (other than to pay contributions or premiums payable in the ordinary course) that could reasonably be expected to result in a Material Adverse Effect, (c) not allow any facts or circumstances to exist with respect to one or more Employee Benefit Plans that, in the aggregate, reasonably could be expected to result in a Material Adverse Effect, (d) not participate in any prohibited transaction that could result in a civil penalty excise tax, fiduciary liability or correction obligation under ERISA or the IRC that could reasonably be expected to result in a Material Adverse Effect, (e) operate each Employee Benefit Plan in such a manner that will not incur any tax liability under the IRC (including Section 4980B of the IRC) except where failure to do so could not reasonably be expected to result in a Material Adverse Effect, and (f) furnish to Agent upon Agent's written request such additional information about any Employee Benefit Plan for which any Loan Party or ERISA Affiliate could reasonably expect to incur any liability that could reasonably be expected to result in a Material Adverse Effect. With respect to each Pension Plan (other than a Multiemployer Plan) except as could not reasonably be expected to result in a Material Adverse Effect, the Loan Parties shall (i) satisfy in full and in a timely manner, without incurring any late payment or underpayment charge or penalty and without giving rise to any Lien, all of the material contribution and funding requirements of the IRC and of ERISA, and (ii) pay, or cause to be paid, to the PBGC in a timely manner, without incurring any material late payment or underpayment charge or penalty, all premiums required pursuant to ERISA.

5.14 **Pre-Petition Credit Enhancements**. If any Pre-Petition Term Agent or Pre-Petition Term Lender, in its capacity as such, or if the Senior ABL Facility Agent or any Senior ABL Facility Lender receives any additional guaranty after the date hereof (other than from Canadian Loan Parties (as defined in the ABL DIP Facility Agreement as in effect on the date

hereof)), the Borrower shall cause the same to be granted to the Agent, for its own benefit and the benefit of the Secured Parties (subject to the DIP Orders).

5.15 **Bankruptcy Covenants**. Notwithstanding anything in the DIP Loan Documents to the contrary, the Loan Parties shall comply with all material covenants, terms and conditions and otherwise perform all obligations set forth in the DIP Orders.

5.16 **Chapter 11 Cases**.

(a) Chapter 11 Case Documents and Notices. Each Loan Party shall deliver or cause to be delivered for review and comment, as soon as commercially reasonable, all material pleadings, motions and other documents (provided that any of the foregoing relating to the DIP Facility shall be deemed material) to be filed on behalf of the Loan Parties with the Bankruptcy Court to the Agent and its counsel. If not otherwise provided by the Bankruptcy Court's electronic docketing system, the Borrower shall provide (x) copies to the Agent of all pleadings, motions, applications, judicial information, financial information and other documents filed by or on behalf of the Loan Parties with the Bankruptcy Court, distributed by or on behalf of the Loan Parties to any Committee, filed with respect to the Chapter 11 Cases or filed with respect to any DIP Loan Document and (y) such other reports and information as the Agent may, from time to time, reasonably request. In connection with the Chapter 11 Cases, the Loan Parties shall give the proper notice for (x) the motions seeking approval of the DIP Loan Documents and the DIP Orders and (y) the hearings for the approval of the DIP Orders. The Borrower and the other Loan Parties shall give, on a timely basis as specified in the DIP Orders, all notices required to be given to all parties specified in the DIP Orders. The Borrower and the other Loan Parties shall use reasonable best efforts to obtain the Final DIP Order.

(b) Progress Calls. Starting in the first week following the Effective Date, and thereafter every other week until the payment in full in cash of the DIP Facility Obligations, Borrower and the Financial Advisor will participate in a conference call with the Agent and the Lenders and their representatives, consultants, and agents, at such mutually convenient dates and times to be proposed by Agent upon reasonable notice, and will use commercially reasonable efforts to cause available senior members of management and any investment bankers and other advisors of Parent and its Subsidiaries, as applicable or as requested by Agent or such Lenders, and solely to the extent reasonably requested by Agent, one or more members of the board of directors of Parent and its Subsidiaries, to participate in such calls for the purpose of discussing the status of the financial, collateral, and operational condition, businesses, liabilities, assets, and prospects of the Borrower and their Subsidiaries and any sale, refinance or other strategic transaction efforts; provided, that the Borrower acknowledges that such calls scheduled as frequently as once per week shall not be unreasonable. Upon Agent's reasonable request, and subject to any confidentiality restrictions, the Parent and its Subsidiaries shall promptly provide copies of all non-privileged material written materials and reports (in each case excluding drafts) produced by Parent and its Subsidiaries and shared with third parties in connection with any sale, refinance, or other strategic transaction efforts, and any written indications of interest, letters of intent and commitment letters received by Parent and its Subsidiaries relating to such sale, refinance, or other strategic transaction efforts of the Parent and its Subsidiaries; provided, that such materials may be redacted to the extent information contained therein would adversely affect any attorney-client privilege or accountant-client privilege, and further provided that only

final versions of such documents shall be provided. Without limiting the foregoing, Borrower agrees to notify Agent promptly upon Borrower becoming aware of any material change or development relating to any sale or refinance efforts or to the financial, collateral, or operational condition, businesses, assets, liabilities, or prospects of such Borrower, any of its Affiliates, or any of their respective Subsidiaries.

(c) Restructuring Proposals. Each Loan Party shall promptly deliver or cause to be delivered to the Agent and the Lenders copies of any term sheets, proposals, or presentations from any party, related to (i) the restructuring of the Loan Parties, or (ii) the sale of assets of one or all of the Loan Parties.

(d) Advisors. The Loan Parties shall continue to retain the Financial Advisor. The Loan Parties shall allow the Agent and the Lenders access to, upon reasonable notice during normal business hours in a time and manner (and with a frequency) to minimize disruption to the Loan Parties, the Financial Advisor and any other third party advisors of the Loan Parties, as applicable.

(e) Repayment of Indebtedness. Except to the extent permitted hereunder, under the DIP Orders or under the Approved Budget, no Loan Party shall, without the express prior written consent of the Agent and Required Lenders or pursuant to an order of the Bankruptcy Court after notice and a hearing, make any Pre-Petition Payment.

(f) [Reserved].

5.17 **Accounting Changes**. Parent agrees that no Subsidiary of a Loan Party will have a fiscal year different from that of Parent (unless otherwise agreed to by Agent in its reasonable discretion) and agrees to maintain a system of accounting that enables Parent to produce financial statements with respect to material financial transactions and matters involving the assets and business of Parent or any of its Subsidiaries, as the case may be, in accordance with GAAP (it being understood and agreed that certain foreign Subsidiaries may maintain individual books and records in conformity with general accepted accounting principles in their respective countries of organization and that such maintenance shall not constitute a breach).

5.18 **Use of Proceeds**. Parent will, and will cause each of its Subsidiaries to, use the proceeds of the DIP Loans only for the purposes set forth in Section 4.28.

5.19 **TL Deposit Account**. All proceeds of the DIP Loans shall be held in the TL Deposit Account. The Borrower shall use commercially reasonable efforts to enter into a Control Agreement in respect of the TL Deposit Account within 14 days of the Petition Date, which such Control Agreement shall establish "control" (as defined in the Uniform Commercial Code as in effect from time to time in the State of New York) in favor of the Agent for the benefit of the Lenders, in form and substance reasonably satisfactory to the Agent (acting at the direction of the Required Lenders).

5.20 **Budget Matters**. The Borrower hereby acknowledges and agrees that any Weekly Cash Flow Forecast provided to the Agent and the Lenders shall not amend and supplement the applicable Approved Budget until the Agent delivers a notice (which may be delivered by electronic mail) to the Borrower stating that the Agent and the Required Lenders

have approved of such Weekly Cash Flow Forecast (such approval not to be unreasonably withheld, delayed or conditioned); provided, that if the Agent does not deliver a notice of approval to the Borrower, then the existing Approved Budget shall continue to constitute the applicable Approved Budget until such time as the subject Weekly Cash Flow Forecast is agreed to among the Borrower, the Agent and the Required Lenders in accordance with this Section 5.20. Once such Weekly Cash Flow Forecast is so approved in writing by the Agent and the Required Lenders, it shall supplement or replace the prior Approved Budget, and shall thereafter constitute the Approved Budget.

6. NEGATIVE COVENANTS.

Each of Parent and Guarantors and Borrower covenants and agrees that, until termination of all of the DIP Loan Commitments and payment in full of the DIP Facility Obligations:

6.1 **Indebtedness**. Parent will not, and will not permit any of its Subsidiaries to create, incur, assume, suffer to exist, guarantee, or otherwise become or remain, directly or indirectly, liable with respect to any Indebtedness, except for Permitted Indebtedness.

6.2 **Liens**. Parent will not, and will not permit any of its Subsidiaries to create, incur, assume, or suffer to exist, directly or indirectly, any Lien on or with respect to any of its assets, of any kind, whether now owned or hereafter acquired, or any income or profits therefrom, except for Permitted Liens.

6.3 **Restrictions on Fundamental Changes**. Parent will not, and will not permit any of its Subsidiaries to,

(a) enter into any merger, consolidation, amalgamation, statutory division, reorganization, or recapitalization, or reclassify its Equity Interests;

(b) liquidate, wind up, or dissolve itself (or suffer any liquidation or dissolution), except for pursuant to a confirmed chapter 11 plan of reorganization, the terms and conditions of which are satisfactory to Agent and all Lenders and is consistent with the terms and conditions of the RSA;

(c) suspend or cease operating a material portion of its or their business, except as permitted pursuant to clauses (a) or (b) above or in connection with a transaction permitted under Section 6.4;

(d) take any action to change or have the effect of changing (i) the tax classification of Parent or any of its Subsidiaries from the classification as of the Effective Date or (ii) the legal form of Parent or Holdings; or

(e) form any new Subsidiary without Agent's prior written consent; provided, that, to the extent the Agent consents to the formation of any new Subsidiary, such new Subsidiary shall guaranty all of the DIP Facility Obligations and grant Liens on substantially all of its assets to secure the DIP Facility Obligations pursuant to documentation in form and substance acceptable to Agent.

6.4 **Disposal of Assets**. Other than Permitted Dispositions or transactions expressly permitted by Sections 6.2, 6.3, 6.7, or 6.9, Parent will not, and will not permit any of its Subsidiaries to convey, sell, lease, license, assign, transfer, or otherwise dispose of any of its or their assets.

6.5 **Nature of Business**. Parent will not, and will not permit any of its Subsidiaries to make any change in the nature of its or their business or acquire any properties or assets that are not reasonably related to the conduct of such business activities; provided, that the foregoing shall not prevent Parent and its Subsidiaries from engaging in any business that is reasonably related or ancillary to its or their business.

6.6 **Prepayments and Amendments**. Parent will not, and will not permit any of its Subsidiaries to,

(a) make any prepayment on account of Indebtedness that has been contractually subordinated in right of payment or security to the DIP Facility Obligations if such payment is not permitted at such time under the subordination terms and conditions applicable thereto, or

(b) directly or indirectly, amend, modify, or change any of the terms or provisions of:

(i) the Governing Documents of any Loan Party or any of its Subsidiaries if the effect thereof, either individually or in the aggregate, could reasonably be expected to be materially adverse to the interests of the Lenders;

(ii) the Management Services Agreement, in each case, except any such amendment, modification, alteration, increase, or change that, as a whole, is more favorable to Loan Parties; provided, however, that no such amendment, modification, alteration, increase or change to the Management Services Agreement shall increase the amount of fees payable thereunder,

(iii) the ABL DIP Facility Documents or the Senior ABL Facility Documents except in accordance with the Intercreditor Agreement.

6.7 **Restricted Payments**. Parent will not make any Restricted Payment, except:

(a) distributions by Parent to, or the making of loans to, any direct or indirect equity owner of Parent in amounts required for any direct or indirect equity owner to pay: (i) franchise and excise taxes (not in the nature of income taxes), and other fees and expenses, required to maintain its organizational existence, (ii) subject to the terms of Section 6.10(c), operating costs and expenses and other corporate overhead costs and expenses (including (A) administrative, legal, accounting, filing and similar expenses and (B) salary, bonus and other benefits payable to officers and employees of Parent or any direct or indirect parent company of Parent), in each case to the extent such costs, expenses, fees, salaries, bonuses and benefits are attributable to the ownership or operations of Parent and its Subsidiaries, are reasonable and incurred in the ordinary course of business for the benefit of Parent and its Subsidiaries, and (iii) the payments described in Section 6.10(c),

(b) Restricted Payments required in connection with the DIP Orders, and

(c) Borrower, HHFH and each of their Subsidiaries may make Permitted Tax Distributions to Parent.

6.8 **Accounting Methods**. Parent will not, and will not permit any of its Subsidiaries to modify or change its fiscal year, fiscal quarter, or its method of accounting (other than (i) as may be required to conform to GAAP or (ii) to the extent consented to by Agent (such consent not to be unreasonably withheld, conditioned or delayed)).

6.9 **Investments**. Parent will not, and will not permit any of its Subsidiaries to, directly or indirectly, make or acquire any Investment except for Permitted Investments.

6.10 **Transactions with Affiliates**. Parent will not, and will not permit any of its Subsidiaries to, directly or indirectly, enter into or permit to exist any transaction or series of related transactions with any Affiliate of Parent or any of its Subsidiaries except for:

(a) any existing transactions between Parent or its Subsidiaries, on the one hand, and any Affiliate of Parent or Parent's Subsidiaries, on the other hand, entered into prior to the Effective Date and any payments made pursuant thereto (other than to direct or indirect holders of Equity Interests in the Parent) to the extent permitted hereunder and made in accordance with the Approved Budget, provided (i) that the terms of such Affiliate Transaction are not less favorable, taken as a whole, to Parent or the applicable Subsidiary, as the case may be, than those that could be obtained at the time in a transaction with a Person who is not such an Affiliate, and (ii) no payments shall be permitted under the Management Services Agreement;

(b) so long as it has been approved by Parent's or its applicable Subsidiary's Board of Directors in accordance with applicable law, any indemnity provided for the benefit of directors (or comparable managers) of Parent, any direct or indirect parent of Parent or the applicable Subsidiary of Parent;

(c) so long as it has been approved by Parent's or its applicable Subsidiary's Board of Directors in accordance with applicable law, to the extent set forth in the Approved Budget, the payment of reasonable compensation, insurance, expense reimbursement, indemnity (other than with respect to directors (or other comparable managers)), severance, and employee benefit arrangements to employees, individual contractors, officers, and directors (or comparable managers) of Parent, any direct or indirect parent of Parent or the applicable Subsidiaries of Parent in the ordinary course of business and consistent with industry practice;

(d) transactions permitted by Section 6.3, Section 6.4, Section 6.7 or any Permitted Intercompany Advance;

(e) Borrower shall be permitted to maintain any existing transactions (such transactions, "Affiliate Transactions") entered into prior to the Effective Date and any payments made pursuant thereto to the extent permitted hereunder and made in accordance with the Approved Budget; provided (i) that the terms of such Affiliate Transaction are not materially less favorable to the Borrower or such Subsidiary, as the case may be, than those that could be obtained at the time in a transaction with a Person who is not such an Affiliate and (ii) no

payments shall be permitted under the Management Services Agreement, (b) for any transaction between or among any of the Borrower or one or more Loan Parties, and (c) the Related Transactions, or any amendments or modifications thereto and permitted hereby, and any payments made pursuant thereto to the extent permitted hereunder and made in accordance with the Approved Budget;

(f) any Loan Party may enter into transactions with any other Loan Party to the extent not otherwise prohibited hereunder;

(g) any Subsidiary that is not a Loan Party may enter into transactions with any other Subsidiary that is not a Loan Party or any Affiliate thereof (other than any Loan Party) to the extent not otherwise prohibited hereunder;

(h) transactions between any Loan Party, on the one hand, and any Canadian Loan Party (as defined in the ABL DIP Facility Documents), on the other hand (i) permitted under clause (g) of the definition of Permitted Dispositions and (ii) so long as such transactions are no less favorable, taken as a whole, to such Loan Party, than would be obtained in an arm's length transaction with a non-Affiliate and to the extent not otherwise prohibited hereunder;

(i) transactions in existence on the Effective Date set forth on Schedule 6.10, and

(j) the transactions contemplated by the Existing Participation Agreement (as defined in the ABL DIP Facility Documents), the Participation Agreement (as defined in the ABL DIP Facility Documents), the Participation Put Agreement (as defined in the ABL DIP Facility Documents), and the acquisition of a participation interest in the ABL DIP Obligations pursuant to the terms of the Participation Agreement (as defined in the ABL DIP Facility Documents).

Except for Permitted Intercompany Advances, as otherwise expressly permitted under this Agreement, and as set forth on Schedule 6.10, (i) no Loan Party shall enter into any transaction with, make any loan, advance or other Investment in, or otherwise transfer any property to any Subsidiary of Parent that is not a Loan Party and (ii) no Loan Party shall enter into any transaction with, make any loans, advances or other Investments in, or otherwise transfer any property constituting Term Loan Priority Collateral to any Canadian Loan Party (as defined in the ABL DIP Facility Documents). Notwithstanding anything to the contrary in this Section 6.10, no payments shall be permitted under the Management Services Agreement.

6.11 **Use of Proceeds**. Parent will not, and will not permit any of its Subsidiaries to use the proceeds of any DIP Loan made hereunder for any purpose other than as set forth in Section 4.28.

6.12 **Limitation on Issuance of Equity Interests**. No Loan Party will issue or sell or enter into any agreement or arrangement for the issuance or sale of any of its Equity Interests other than a proposed debt-for-equity exchange to be authorized by an order confirming a chapter 11 plan of reorganization in the Chapter 11 Cases, the terms and conditions of which comply with the RSA.

6.13 **Parent Guarantors as Holding Companies**. No Parent Guarantor will (a) incur any material liabilities (other than (i) liabilities arising under the DIP Loan Documents, the ABL DIP Facility Documents (or any agreement otherwise permitted hereunder and under the Intercreditor Agreement refinancing any of the facilities made pursuant to the ABL DIP Facility Documents in whole or in part), including Existing Secured Obligations under (and as defined in) the ABL DIP Facility Documents, and the Equity Documents, in each case to which it is a party, (ii) guarantees of leases and trade contracts in the ordinary course of business, (iii) liabilities arising under agreements with respect to Investments expressly permitted hereunder, (iv) indemnification obligations under the PCF Acquisition Agreement (as defined in the ABL DIP Facility Documents), (v) other Indebtedness permitted to be incurred by Parent Guarantors pursuant to Section 6.1, (vi) Tax liabilities, (vii) obligations under or in connection with the transaction contemplated herein, (viii) liabilities under the Management Services Agreement, and (ix) liabilities under employment or engagement agreements or agreements with employees, officers and directors)), (b) own or acquire any assets (other than (i) the Equity Interests of its Subsidiaries, (ii) immaterial assets which in the aggregate have de minimis value, (iii) contractual rights incidental or related to maintenance of its organizational existence and the issuance of its Equity Interests, (iv) Investments expressly permitted by Section 6.9 and contractual rights with respect thereto, (v) rights under or incidental to the PCF Acquisition Agreement (as defined in the ABL DIP Facility Documents), and (vi) rights under insurance policies) or (c) engage itself in any operations or business, except (i) in connection with its ownership of its Subsidiaries and its rights and obligations under the DIP Loan Documents, the ABL DIP Facility Documents (or any agreement otherwise permitted hereunder and under the Intercreditor Agreement refinancing any of the facilities made pursuant to the ABL DIP Facility Documents in whole or in part) and the Equity Documents, in each case to which it is a party (and activities incidental or related thereto), and (ii) activities incidental or related to holding the assets or incurring the liabilities permitted by this Section 6.13 and the maintenance of its organizational existence and the issuance of its Equity Interests.

6.14 **Sale and Leaseback Transactions**. Parent will not, and will not permit any of its Subsidiaries to, enter into any arrangement, directly or indirectly, whereby it shall sell or transfer any property, real or personal, used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property that it intends to use for substantially the same purpose or purposes as the property sold or transferred.

6.15 **Employee Benefits**.

Parent will not, and will not permit any of its Subsidiaries to:

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

(b) Subject to the DIP Orders, fail to make, or permit any ERISA Affiliate to fail to make, full payment when due of all amounts which, under the provisions of any Benefit Plan, agreement relating thereto or applicable Law, any Loan Party or ERISA Affiliate is required to pay if such failure could reasonably be expected to have a Material Adverse Effect.

(c) Permit to exist, or allow any ERISA Affiliate to permit to exist, any accumulated funding deficiency within the meaning of section 302 of ERISA or section 412 of the Code, whether or not waived, with respect to any Plan which exceeds $500,000 with respect to all Pension Plans in the aggregate which could reasonably be expected to result in a liability which exceeds $500,000 to any Loan Party.

(d) Maintain, sponsor, administer, contribute to, participate in or assume or incur any liability in respect of any Canadian Defined Benefit Plan.

(e) Terminate, or permit any Loan Party or Subsidiary thereof to terminate any Canadian Pension Plan in a manner, or take any other action with respect to any Canadian Pension Plan, which could reasonably be expected to result in any material liability of any Loan Party or a Subsidiary thereof.

(f) Subject to the DIP Orders, fail to make, or permit any Subsidiary to fail to make, full payment when due of all amounts which, under the provisions of any Canadian Benefit Plan, agreement relating thereto or applicable Law, any Loan Party or Subsidiary thereof is required to pay if such failure could reasonably be expected to have a Material Adverse Effect.

6.16 **Burdensome Agreements**.

Parent will not, and will not permit any of its Subsidiaries to, enter into any contractual obligation that: limits the ability (x) of any Subsidiary to make loans, advances, or Restricted Payments to any Loan Party; (y) of any Subsidiary to guarantee the DIP Facility Obligations under the DIP Loan Documents or (z) of Parent or any of its Subsidiaries to create, incur, assume or suffer to exist Liens on property of such Person to secure the DIP Facility Obligations of the Loan Parties under the DIP Loan Documents, other than, in each case limitations and restrictions:

(a) set forth in this Agreement and any other DIP Loan Document;

(b) set forth in the ABL DIP Facility Documents (including Existing Secured Obligations under (and as defined in) the ABL DIP Facility Document) as in effect on the date hereof or as modified in accordance with the Intercreditor Agreement (or in any agreement otherwise permitted hereunder and under the Intercreditor Agreement which refinances any of the facilities made pursuant to the ABL DIP Facility Documents in whole or in part),

(c) on subletting or assignment of any leases or licenses of Parent or any Subsidiary or on the assignment of a contractual obligation or any rights thereunder or any other customary non-assignment provisions, in each case entered into in the ordinary course of business,

(d) set forth in contractual obligations for the disposition of assets (including any Equity Interests in any Subsidiary and including pursuant to any sale and leaseback transactions permitted hereunder) of Parent or any Subsidiary of Parent; provided, such restrictions and conditions apply only to the assets or Subsidiary that is to be sold and cease to apply upon the consummation of such sale,

(e) set forth in any contractual obligation governing Indebtedness permitted under clauses (a), (b), (f), (g), (i) and (t) of the definition of "Permitted Indebtedness",

(f) with respect to cash or other deposits (including escrowed funds) received by Parent or any Subsidiary in the ordinary course of business and assets subject to Liens permitted by under clauses (k), (p), (r), (t), (v) and (y) of the definition of "Permitted Lien", or

(g) set forth in joint venture agreements and other similar agreements concerning joint ventures and applicable solely to such joint venture and that restrict the transfer of Equity Interests in such joint venture.

6.17 **Sanctions**. Parent will not, and will not permit any of its Subsidiaries to, knowingly permit the proceeds of any DIP Loan to be used to fund any operations in, finance any investments or activities in, or make any payments to, a Sanctioned Person or a Sanctioned Entity, in each case, that would constitute a violation of applicable Laws.

6.18 **Chapter 11 Claims**. Except for the Carve-Out and Permitted Priority Liens and as provided in the DIP Orders, Parent will not, and will not permit any of its Subsidiaries to, directly or indirectly, incur, create, assume, suffer to exist or permit any administrative expense claim or Lien that is pari passu with or senior to the claims or DIP Liens, as the case may be, of the Agent and the Lenders against the Loan Parties hereunder or under the DIP Orders, or apply to the Bankruptcy Court for authority to do so. Parent will not, and will not permit any of its Subsidiaries to, directly or indirectly, (a) seek, support, consent to or suffer to exist any modification, stay, vacation or amendment of any DIP Order except for any modifications and amendments agreed to in writing by the Agent and the Required Lenders, such agreement to be made in their sole discretion, or (b) apply to the Bankruptcy Court for authority to take any action prohibited by this Section 6 (except to the extent such application and the taking of such action is conditioned upon receiving the written consent of the Agent and the Required Lenders, such consent not to be unreasonably withheld, delayed or conditioned).

6.19 **Compliance with Approved Budget**.

(a) Except as otherwise provided herein or approved by the Agent (at the direction of the Required Lenders, in their sole discretion), the Loan Parties will not, and will not permit any Subsidiary thereof to, directly or indirectly, (a) use any cash, including the proceeds of any DIP Loans, in a manner or for a purpose other than those permitted under this Agreement or contemplated by the DIP Orders or the Approved Budget, (b) permit a disbursement causing any variance from the Approved Budget other than Permitted Variances without the prior written consent of the Agent (at the direction of the Required Lenders, in their sole discretion), (c) make any Pre-Petition Payment or application for authority to make any Pre-Petition Payment, other than those permitted by this Agreement, the DIP Orders or the Approved Budget, (d) make or commit to make payments to critical vendors (other than those critical vendors set forth in the DIP Orders or in the Approved Budget, in each case as approved in writing by the Agent at the direction of the Required Lenders) in respect of any pre-petition amount in excess of the amount included in the Approved Budget, (e) measured as of the end of each Testing Period, permit the aggregate cumulative amount of actual cash disbursements (in any event excluding disbursements for professional fees and expenses and restructuring expenses) as reported in the

Variance Reports delivered with respect to periods ending after the Petition Date through the end of such Testing Period to exceed, by more than the applicable Permitted Variance, the aggregate cumulative corresponding amount forecast in the Approved Budget for the same such period, (f) measured as of the end of each Testing Period, permit the aggregate cumulative amount of actual cash receipts (which shall exclude, for the avoidance of doubt, proceeds from borrowings of DIP Loans) as reported in the Variance Reports delivered with respect to periods ending after the Effective Date through the end of such Testing Period to be less than, by more than the applicable Permitted Variance, the aggregate cumulative corresponding amount (which shall exclude, for the avoidance of doubt, proceeds from borrowings of DIP Loans) forecast in the Approved Budget for the same such period, and (g) measured as of the end of each Testing Period, permit the aggregate cumulative amount of actual net cash flow (in any event excluding from the calculation thereof disbursements for professional fees and expenses and restructuring expenses) as reported in the Variance Reports delivered with respect to periods ending after the Petition Date through the end of such Testing Period to exceed, by more than the applicable Permitted Variance, the aggregate cumulative corresponding amount forecast in the Approved Budget for the same such period; and

(b) [Reserved].

6.20 **[Reserved]**.

6.21 **Use of DIP Collateral**. No DIP Collateral, proceeds of DIP Loans, portion of the Carve-Out or any other amounts may be used directly or indirectly by any of the Loan Parties, the Committee, if any, or any trustee or other estate representative appointed in the Chapter 11 Cases (or any successor case) or any other person or entity for any of the following purposes (or to pay any professional fees, disbursements, costs or expenses incurred in connection therewith):

(a) to seek authorization to obtain Liens or security interests that are senior to, or on a parity with, the DIP Loans (except for the loans advanced under the ABL DIP Facility); or

(b) except as provided in the DIP Orders, to investigate (including by way of examinations or discovery proceedings), prepare, assert, join, commence, support or prosecute any action for any claim, counter-claim, action, proceeding, application, motion, objection, defense, or other contested matter seeking any order, judgment, determination or similar relief against, or adverse to the interests of, in any capacity, any of the Agent, the Lenders, the Pre-Petition Term Agent, the Pre-Petition Term Lenders, the Senior ABL Facility Agent, the Senior ABL Facility Lenders, the ABL DIP Agent, the ABL DIP Lenders and any of their controlling persons, affiliates or successors or assigns, and each of the respective officers, directors, employees, agents, attorneys, or advisors of each of the foregoing, with respect to any transaction, occurrence, omission, action or other matter (including formal discovery proceedings in anticipation thereof), including (A) any claims or causes of action arising under Chapter 5 of the Bankruptcy Code, (B) any so-called "lender liability" claims and causes of action, (C) any action with respect to the validity, enforceability, priority and extent of, or asserting any defense, counterclaim, or offset to, the DIP Facility Obligations, the DIP Liens hereunder, the DIP Loan Documents, the Pre-Petition Term Obligations, the Pre-Petition Term Facility Documents, the Pre-Petition Term Obligations, the Superpriority Claims, the ABL DIP

Facility Documents, the ABL DIP Obligations or the liens granted under the ABL DIP Facility, (D) any action seeking to invalidate, modify, set aside, avoid or subordinate, in whole or in part, the DIP Facility Obligations, the Pre-Petition Term Obligations or the ABL DIP Obligations, (E) any action seeking to modify any of the rights, remedies, priorities, privileges, protections and benefits granted to either (1) the Agent or the Lenders hereunder or under any of the DIP Loan Documents, (2) the Pre-Petition Term Agents or the Pre-Petition Term Lenders any of the Pre-Petition Term Facility Documents or (3) the ABL DIP Agent or the ABL DIP Lenders under any of the ABL DIP Facility Documents (in each case, including claims, proceedings or actions that might prevent, hinder or delay any assertions, enforcements, realizations or remedies on or against the DIP Collateral by any of the Agent, the Lenders, the Secured Parties, the Pre-Petition Term Agents, the Pre-Petition Term Lenders, the ABL DIP Agent or the ABL DIP Lenders under any of the Pre-Petition Term Facility Documents in accordance with the applicable DIP Loan Documents, Pre-Petition Term Facility Loan Documents, ABL DIP Facility Documents and the DIP Orders, as applicable), or (F) objecting to, contesting, or interfering with, in any way, the Agent's, the Lenders' and the Secured Parties' enforcement or realization upon any of the DIP Collateral once an Event of Default has occurred; provided, however, that no more than $50,000 in the aggregate of the DIP Collateral, the Carve-Out or proceeds of the DIP Loans may be used by the Committee to investigate such claims and/or Liens.

6.22 **Access to TL Deposit Account**. Parent will not, and will not permit any of its Subsidiaries to, withdraw funds from the TL Deposit Account after the occurrence and during the continuance of a Default or Event of Default. Withdrawals from TL Deposit Account shall only be used for the permitted purposes described in Section 4.28. Under no circumstances may any cash, funds, securities, financial assets or other property held in or credited to the TL Deposit Account or the proceeds thereof held therein or credited thereto be used for any purpose not permitted under the DIP Orders.

7. [RESERVED].

8. EVENTS OF DEFAULT.

Notwithstanding the provisions of Section 362 of the Bankruptcy Code and without notice, application or motion to, hearing before, or order of the Bankruptcy Court or any notice to any Credit Party, any of the following from and after the Effective Date shall constitute an "Event of Default", with the exception of any such event occasioned by the filing of the Chapter 11 Cases and defaults resulting from obligations with respect to which the Bankruptcy Code prohibits any Loan Party from complying or permits any Loan Party not to comply with the requirements referenced in the subsections below:

8.1 **Payments**. The Borrower shall fail to pay any principal of any DIP Loan when due in accordance with the terms hereof (whether at stated maturity, by mandatory prepayment or otherwise); or the Borrower shall fail to pay any interest on any DIP Loan, or any other amount payable hereunder, within two (2) Business Days after any such interest or other amount becomes due in accordance with the terms hereof.

8.2 **Representations and Warranties**. Any representation or warranty made or deemed made by any Loan Party herein or in any other DIP Loan Document (or in any

amendment, modification or supplement hereto or thereto) or which is contained in any certificate furnished at any time by or on behalf of any Loan Party pursuant to this Agreement or any such other DIP Loan Document shall prove to have been incorrect in any material respect on or as of the date made or deemed made.

8.3 **Loan Parties**. Any Loan Party or any Subsidiary of a Loan Party (a) shall default in the payment, observance or performance of any term, covenant or agreement contained in Section 5.1, Section 5.2(a) or Section 6; or (b) shall default in the observance or performance of any other agreement contained in this Agreement or any other DIP Loan Document (other than as provided in Sections 8.1, 8.2 and 8.3(a)), and such default shall continue unremedied for a period of 30 days after the earlier of (A) the date on which a Responsible Officer of the Borrower becomes aware of such failure and (B) the date on which written notice thereof shall have been given to the Borrower by the Agent or the Required Lenders.

8.4 **Default Under Other Agreements**.

(a) Any Loan Party or any of its Subsidiaries shall (i) default in (x) any payment of principal of or interest on (A) the ABL DIP Facility or (B) any Indebtedness (excluding the DIP Loans) in excess of $1,000,000, or (y) the payment of (A) any Guarantee Obligation in respect of the ABL DIP Facility or (B) any Guarantee Obligation in excess of $1,000,000 in each case referred to in this clause (i) beyond the period of grace, if any, provided in the instrument or agreement under which such Indebtedness or Guarantee Obligation was created, it being understood that Indebtedness and Guaranteed Obligations referred to in this clause (i) are limited solely to those not subject to stay of proceedings in the Chapter 11 Cases; or (ii) default in the observance or performance of any other agreement or condition relating to any Indebtedness (excluding the DIP Loans) or Guarantee Obligation referred to in clause (i) above 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 holders of such Indebtedness or beneficiary or beneficiaries of such Guarantee Obligation (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice or lapse of time if required, such Indebtedness to become due prior to its stated maturity or such Guarantee Obligation to become payable (an "Acceleration"), and such time shall have lapsed and, if any notice (a "Default Notice") shall be required to commence a grace period or declare the occurrence of an event of default before notice of Acceleration may be delivered, such Default Notice shall have been given and such default shall not have been remedied or waived by or on behalf of such holder or holders; provided that the foregoing shall not apply to (A) any default under Indebtedness existing prior to the Petition Date and which has been accelerated by virtue of the filing of the Chapter 11 Cases, (B) any default due to Borrowers' filing, commencement and continuation of the Chapter 11 Cases and any litigation arising therefrom or (C) any default due to restrictions on payments arising as a result of the Chapter 11 Cases; and provided, further, that if any such default or event of default has been cured, waived or is otherwise no longer in existence, the Event of Default arising under this Section 8.4 shall be deemed to be cured, waived and no longer in existence).

(b) Notwithstanding anything in this Section 8.4 to the contrary, to the extent a payment or covenant "Event of Default" (as defined in the ABL DIP Facility Agreement) is

waived in accordance with the ABL DIP Facility Agreement on or after the Effective Date, any such waiver shall automatically result in a waiver of any Event of Default under Section 8.4 hereof in respect of such payment or covenant "Event of Default", solely to the extent Agent has not taken any enforcement action in respect of such Event of Default under Section 8.4 hereunder.

8.5 **Material Adverse Effect**. There shall have occurred after the Effective Date an event which has resulted in a Material Adverse Effect.

8.6 **Change in Control**. A Change of Control shall have occurred.

8.7 **Security Documents**. (i) Any of the DIP Loan Documents shall cease for any reason to be in full force and effect (other than pursuant to the terms hereof or thereof), or any Loan Party which is a party to any such DIP Loan Document shall so assert in writing, (ii) the guarantee of the Guarantors contained in the Guaranty and Security Agreement shall cease, for any reason, to be in full force and effect, other than pursuant to the terms thereof or as a result of acts or omissions from the Lenders, or (iii) the DIP Lien created by any of the Security Documents and the DIP Orders shall cease to be perfected and enforceable in accordance with its terms or of the same effect as to perfection and priority purported to be created thereby with respect to any significant portion of the DIP Collateral (other than in connection with any termination of such DIP Lien in respect of any DIP Collateral as permitted hereby or by any Security Document) and such failure of such DIP Lien to be perfected and enforceable with such priority shall have continued unremedied for a period of twenty (20) days.

8.8 **Loan Documents**. Any material provision of any DIP Loan Document shall at any time for any reason be declared to be null and void, or the validity or enforceability of any provision shall be contested by any Loan Party, or a proceeding shall be commenced by any Loan Party, or by any Governmental Authority having jurisdiction over any Loan Party, seeking to establish the invalidity or unenforceability thereof, or any Loan Party shall deny that it has any liability or obligation purported to be created under any DIP Loan Document;

8.9 **Termination Events; Milestones**. The occurrence of any of the following in any Chapter 11 Case (each, a "Termination Event"):

(a) The reversal, vacatur or stay of the effectiveness of the Interim DIP Order or the Final DIP Order without the express prior written consent of the Agent (acting at the direction of the Required Lenders);

(b) Without the written consent of the Agent acting at the direction of the Required Lenders, (A) an order with respect to any of the Chapter 11 Cases shall be entered by the Bankruptcy Court ordering dismissal of any of the Chapter 11 Cases or conversion of any of the Chapter 11 Cases to chapter 7 cases, or appointment of a chapter 11 trustee or examiner with enlarged powers relating to the operation of the business of the Borrower or any Guarantor in any of the Chapter 11 Cases, which dismissal, conversion or appointment shall not have been reversed, stayed or vacated within three (3) days, (B) an order with respect to any of the Chapter 11 Cases shall be entered by the Bankruptcy Court ordering termination of the exclusive period for the Loan Parties to file a Plan in the Chapter 11 Cases, or (C) the Loan Parties shall seek or

request the entry of any order to effect any of the events described in subclause (A) of this clause (ii);

(c) The entry by the Bankruptcy Court of an order granting relief from the automatic stay imposed by Section 362 of the Bankruptcy Code sought by any party that affects the Loan Parties' property (including, without limitation, to permit foreclosure or enforcement on the DIP Collateral) with a fair market value in excess of $500,000 without the written consent of the Agent (which consent shall not be unreasonably withheld, delayed or conditioned);

(d) Three (3) Business Days after written notice to the Loan Parties of the failure by the Loan Parties to deliver to the Agent any of the documents or other written information required to be delivered pursuant to the DIP Orders when due (during which time the Loan Parties may cure) or any such documents or other written information shall contain a misrepresentation of a material fact when made so as to make the written information provided to the Agent and the Lenders, taken as a whole, materially misleading;

(e) Except as set forth herein, the failure by the Loan Parties to observe or perform any of the material terms or provisions contained in the DIP Orders in any respect adverse to the interests of the Lenders;

(f) The entry of an order of the Bankruptcy Court granting any lien on or security interest in any of the DIP Collateral that is pari passu with or senior to the DIP Liens held by the Agent on or as security interests in the DIP Collateral, the Adequate Protection Liens, the Superpriority Claims or the Pre-Petition Term Liens, in each case, other than any Liens in connection with any Permitted Intercompany Advances authorized by the DIP Orders, or the Loan Parties and any of their Subsidiaries shall seek or request (or support another party in the filing of) the entry of any such order, other than the ABL DIP Facility;

(g) The Loan Parties' creating or permitting to exist any other superpriority claim which is pari passu with or senior to the claims of the Agent and the Lenders, the Adequate Protection Liens, the Superpriority Claims or the Pre-Petition Term Liens, except for the Carve-Out, the liens securing the Senior ABL Facility, the liens securing the ABL DIP Facility, and any Liens in connection with any Permitted Intercompany Advances authorized by the DIP Orders;

(h) The Parent or any of its Subsidiaries filing a pleading, or in any way support another party's pleading, seeking to modify or otherwise alter any of the terms and conditions set forth in the DIP Orders in any respect adverse to the interests of the Lenders without the prior written consent of the Agent (acting at the direction of the Required Lenders), such consent to be given in its sole discretion;

(i) The entry of an order of the Bankruptcy Court amending, supplementing or otherwise altering any of the terms and conditions set forth in the DIP Orders in any respect adverse to the interests of the Lenders without the prior written consent of the Agent (acting at the direction of the Required Lenders), such consent to be given in its sole discretion;

(j) The Parent or any of its Subsidiaries using the proceeds of the DIP Facility for any item other than in compliance with Section 6.19 other than the Carve-Out, or makes any Pre-Petition Payment (other than the obligations under the Senior ABL Facility as contemplated

by the ABL DIP Facility and the DIP Orders or under the Approved Budget), in each case except as agreed in writing in advance by the Agent (acting at the direction of the Required Lenders);

(k) Any of the Loan Parties or their Subsidiaries (or any party with the support of any of the Loan Parties) shall file a Plan in any of the Chapter 11 Cases that does not propose to indefeasibly repay the DIP Facility Obligations in full in cash, unless otherwise consented to by the Agent (acting at the direction of the Required Lenders) (such consent to be given in its sole discretion (it being agreed that such consent is deemed given with respect to the Plan attached to the RSA));

(l) Any uninsured judgments are entered with respect to any post-petition liabilities against any of the Loan Parties or any of their respective properties in a combined aggregate amount in excess of $200,000 unless stayed, vacated or satisfied for a period of twenty (20) calendar days after entry thereof;

(m) The failure of the Loan Parties to meet any of the following milestones (individually a "Milestone" and collectively, the "Milestones") unless extended or waived by the prior written consent of the Agent and the Required Lenders (such consent not to be unreasonably withheld, delayed or conditioned), except to the extent such failure is reasonably the result of Bankruptcy Court unavailability:

(i) The Interim DIP Order shall have been entered by the Bankruptcy Court on or before two (2) Business Days following the date of the First Day Hearing;

(ii) On or before the date that is 7 days following the Petition Date, the Loan Parties shall have filed a motion requesting an order from the Bankruptcy Court approving bid procedures relating to the solicitations of qualified bids for the sale of substantially all of the Loan Parties' assets and business (the "Bidding Procedures"), which motion and Bidding Procedures shall each be in form and substance reasonably satisfactory to Agent (it being agreed that the proposed bidding procedures order filed with the Bankruptcy Court on the Petition Date is satisfactory to the Agent);

(iii) The Final DIP Order shall have been entered by the Bankruptcy Court on or before forty (40) days following the date of the First Day Hearing;

(iv) Within forty (40) calendar days of the Petition Date, but in any event no later than entry of the Final DIP Order, the Loan Parties shall file a plan of reorganization (the "Proposed Plan"), and a disclosure statement relating to such Plan (the "Disclosure Statement"), in each case, in form and substance reasonably satisfactory to the Agent (acting at the direction of the Required Lenders) (it being agreed that the plan of reorganization in the

form attached to the RSA is satisfactory to the Agent and the Lenders);

(v) No later than forty-five (45) calendar days after the Petition Date, the Loan Parties shall have filed their Schedules and Statement of Financial Affairs pursuant to Section 521 of the Bankruptcy Code and Rule 1007 of the Federal Rules of Bankruptcy Procedure with the Bankruptcy Court;

(vi) No later than forty-five (45) calendar days after the Petition Date the Bankruptcy Court shall have entered an order setting the date (the "Bar Date") by which proofs of claim for general unsecured creditors must be filed;

(vii) On or before the date that is 45 days following the Petition Date, the Bankruptcy Court shall have entered an order approving the Bidding Procedures, in form and substance reasonably satisfactory to the Agent (acting at the direction of the Required Lenders) (it being agreed that the proposed bidding procedures order filed with the Bankruptcy Court on the Petition Date is satisfactory to the Agent at the direction of the Required Lenders);

(viii) The Bar Date shall have occurred on or before seventy-five (75) days following the Petition Date;

(ix) No later than seventy-five (75) calendar days after the Petition Date, the Bankruptcy Court shall have entered an order approving the Disclosure Statement and voting and solicitation procedures for the Proposed Plan in form and substance reasonably satisfactory to the Agent (acting at the direction of the Required Lenders);

(x) No later than one hundred ten (110) calendar days after the Petition Date, the Bankruptcy Court shall have entered an order, in form and substance reasonably satisfactory to the Agent (acting at the direction of the Required Lenders) confirming the Proposed Plan (such date, the "Confirmation Date");

(xi) No later than the Confirmation Date, Borrower shall have entered into a commitment letter reasonably acceptable to the Agent with respect to the funding of an exit asset-backed credit facility; and

(xii) No later than one hundred twenty days (120) calendar days after the Petition Date, the Plan Effective Date shall have occurred.

(n) Any Loan Party asserts a right of subrogation or contribution against any other Loan Party prior to the date upon which all DIP Loans under the DIP Facility have been paid in full and all DIP Loan Commitments have been terminated;

(o) Any Loan Party shall seek to sell any of its assets that are Term Loan Priority Collateral outside the ordinary course of business, unless (i) the proceeds of such sale are used to indefeasibly pay the DIP Facility Obligations in full in cash unless such sale is consented to by the Agent (acting at the direction of the Required Lenders), or (ii) such sale is pursuant to bidding procedures approved by the Agent (acting at the direction of the Required Lenders);

(p) The Parent or any of its Subsidiaries (or any party with the support of any of the Parent or any of its Subsidiaries) shall challenge the validity or enforceability of any of the DIP Loan Documents or the Pre-Petition Term Facility Documents;

(q) Upon the consummation of a sale of all or substantially all of the Loan Parties' assets pursuant to Section 363 of the Bankruptcy Code, unless (i) the proceeds of such sale are applied to indefeasibly satisfy in full the DIP Facility Obligations or (ii) such sale is consented to by the Agent (acting at the direction of the Required Lenders);

(r) Payment of or granting adequate protection with respect to any Indebtedness that was existing prior to the Petition Date other than as expressly provided in the DIP Orders or permitted under the Intercreditor Agreement or as consented to by the Agent (acting at the direction of the Required Lenders).

8.10 **RSA**. The termination of the RSA by any party thereto.

8.11 **ERISA**. The occurrence of any of the following events to the extent it would have a Material Adverse Effect: (a) any Loan Party or ERISA Affiliate fails to make full payment when due of all amounts which any Loan Party or ERISA Affiliate is required to pay as contributions, installments, or otherwise to or with respect to a Pension Plan or Multiemployer Plan, and such failure could reasonably be expected to result in liability to any Loan Party, (b) an accumulated funding deficiency or funding shortfall occurs or exists, whether or not waived, with respect to any Pension Plan, which could reasonably be expected individually or in the aggregate to result in liability to any Loan Party, (c) a Notification Event, which could reasonably be expected to result in liability to a Loan Party, either individually or in the aggregate, (d) any Loan Party or ERISA Affiliate completely or partially withdraws from one or more Multiemployer Plans and as a result of such withdrawal, any Loan Party would reasonably be expected to incur Withdrawal Liability, (e) any Loan Party or Subsidiary thereof fails to make full payment when due of all amounts which any Loan Party or Subsidiary thereof is required to pay as contributions, installments, or otherwise to or with respect to a Canadian Pension Plan, and such failure could reasonably be expected to result in liability to any Loan Party, or (f) with respect to (x) any Canadian Pension Plan, the occurrence of any Canadian Pension Termination Event or (y) if any trust, deemed trust or Lien has been or may be imposed on a Loan Party or Subsidiary thereof or its property as a result of the occurrence of such event and such trust, deemed trust or Lien, and in each case will or would reasonably be likely to result in a liability to the Loan Parties.

8.12 **Permitted Variances**. Permitted Variances under the Approved Budget are exceeded for any period of time.

8.13 **ABL DIP Facility**. The ABL DIP Agent and/or the Senior ABL Facility Agent imposes a reserve or block on availability of revolving loans in excess of $1,500,000 of such reserves or blocks in place on the Effective Date or otherwise modifies, changes or amends the calculation of the borrowing base in any manner that reduces availability under the ABL DIP Facility and/or the Senior ABL Facility by more than $1,500,000.

9. RIGHTS AND REMEDIES.

9.1 **Rights and Remedies**.

(a) If any Event of Default occurs and is continuing, then, and in any such event, notwithstanding the provisions of Section 362 of the Bankruptcy Code, and without any application, motion or notice, hearing before, or order from, the Bankruptcy Court but subject to the DIP Orders and any notice required thereunder, with the consent of the Required Lenders, the Agent may, or upon the request of the Required Lenders, the Agent shall, (i) by written notice to the Borrower, declare all of the DIP Loans hereunder, (with accrued interest thereon) and all other amounts owing under this Agreement to be due and payable forthwith, whereupon the same shall immediately become due and payable, (ii) immediately terminate the Loan Parties' limited use of any cash collateral; (iii) cease making any DIP Loans under the DIP Facility; (iv) subject to the terms of the DIP Orders, sweep all funds contained in the TL Deposit Account; (v) subject to the terms of the DIP Orders and the Intercreditor Agreement, immediately set-off any and all amounts in accounts maintained by the Loan Parties with the Agent or the Lenders against the DIP Facility Obligations, or otherwise enforce any and all rights against the DIP Collateral in the possession of any of the applicable Lenders, including, without limitation, disposition of the DIP Collateral solely for application towards the DIP Facility Obligations; and (vi) take any other actions or exercise any other rights or remedies permitted under the DIP Orders, the DIP Loan Documents or applicable law to effect the repayment of the DIP Facility Obligations; provided that prior to the exercise of any right in clauses (ii), (v) or (vi) of this Section 9.1(a), the Agent shall be required to provide seven (7) Business Days written notice to the Loan Parties, the ABL DIP Agent, and the Committee (if any) of the Agent's intent to exercise its rights and remedies; provided, further, that neither the Loan Parties, the Committee (if any) nor any other party-in-interest shall have the right to contest the enforcement of the remedies set forth in the DIP Orders and the DIP Loan Documents on any basis other than an assertion that an Event of Default has not occurred or has been cured within the cure periods expressly set forth in the applicable DIP Loan Documents. The Loan Parties shall cooperate fully with the Agent and the Lenders in their exercise of rights and remedies, whether against the DIP Collateral or otherwise.

(b) Except as expressly provided above in this Section 9, to the maximum extent permitted by applicable law, presentment, demand, protest and all other notices of any kind are hereby expressly waived.

10. WAIVERS; INDEMNIFICATION.

10.1 **Demand; Protest; etc.** Borrower waives demand, protest, notice of protest, notice of default or dishonor, notice of payment and nonpayment, nonpayment at maturity, release, compromise, settlement, extension, or renewal of documents, instruments, chattel paper,

and guarantees at any time held by the Lender Group on which Borrower may in any way be liable.

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

10.3 **Indemnification**. Borrower and each Guarantor shall pay, indemnify, defend, and hold Agent-Related Persons, the Lender-Related Persons, and each Participant (each, an "Indemnified Person") harmless (to the fullest extent permitted by law) from and against any and all claims, demands, suits, actions, investigations, proceedings, liabilities, fines, costs, penalties, and damages, and all reasonable and documented fees and disbursements of attorneys, experts, or consultants and all other costs and expenses actually incurred in connection therewith or in connection with the enforcement of this indemnification (as and when they are incurred and irrespective of whether suit is brought), at any time asserted against, imposed upon, or incurred by any of them (a) in connection with or as a result of or related to (1) the execution and delivery, advising, structuring, drafting, reviewing, administering or syndicating, or the monitoring of Parent's and its Subsidiaries' compliance with the terms of, the DIP Loan Documents (provided that any legal fees incurred in connection therewith shall be limited to the reasonable fees and reasonable out-of-pocket expenses of one primary counsel, which shall be King & Spalding LLP, for all Indemnified Persons (taken as a whole) (and, solely in the case of an actual conflict of interest, one additional counsel as necessary to the affected Indemnified Persons taken as a whole) and to the extent reasonably necessary, one local counsel in each relevant material jurisdiction, or (2) enforcement (including in connection with the Chapter 11 Cases) of this Agreement, any of the other DIP Loan Documents, or the transactions contemplated hereby or thereby (provided, that the indemnification in this clause (a) shall not extend to (i) any dispute among Indemnified Persons that does not arise out of an act or omission by Borrower or any other Loan Party or Subsidiary thereof (other than any claims against Agent in its capacity as such), or (iii) any Taxes or any costs attributable to Taxes, other than any Taxes that represent losses, claims, damages or other similar amounts arising from any non-Tax Claim), (b) with respect to any investigation, litigation, or proceeding related to this Agreement, any other DIP Loan Document, the making of any DIP Loans hereunder, or the use of the proceeds of the DIP Loans provided hereunder (irrespective of whether any Indemnified Person or Loan Party is a party thereto), or any act, omission, event, or circumstance in any manner related thereto, and (c) in connection with or arising out of any violation of Environmental Law by Parent or any of its Subsidiaries, any presence or release of Hazardous Materials at, on, under, to or from any assets or properties owned, leased or operated by Borrower or any of its Subsidiaries, or any Environmental Actions against, Environmental Liabilities of, or Remedial Actions required of, Parent or any of its Subsidiaries, or related in any way to any operations, assets or properties of Borrower or any of its Subsidiaries (each and all of the foregoing, the "Indemnified Liabilities"). The foregoing to the contrary notwithstanding, Borrower shall have no obligation to any Indemnified Person under this Section 10.3 with respect to any (a) material breach of such Indemnified Person of its obligations (or the obligations of such Indemnified

Persons' Agent-Related Persons) under the DIP Loan Documents, as finally determined by a court of competent jurisdiction or (b) Indemnified Liability that a court of competent jurisdiction finally determines to have resulted from the gross negligence, bad faith or willful misconduct of such Indemnified Person or its officers, directors, employees, attorneys, or agents. This provision shall survive the termination of this Agreement and the repayment in full of the DIP Facility Obligations. If any Indemnified Person makes any payment to any other Indemnified Person with respect to an Indemnified Liability as to which Borrower was required to indemnify the Indemnified Person receiving such payment, the Indemnified Person making such payment is entitled to be indemnified and reimbursed by Borrower with respect thereto. **WITHOUT LIMITATION, EXCEPT AS SET FORTH ABOVE, THE FOREGOING INDEMNITY SHALL APPLY TO EACH INDEMNIFIED PERSON WITH RESPECT TO INDEMNIFIED LIABILITIES WHICH IN WHOLE OR IN PART ARE CAUSED BY OR ARISE OUT OF ANY NEGLIGENT ACT OR OMISSION OF SUCH INDEMNIFIED PERSON OR OF ANY OTHER PERSON**.

11. NOTICES.

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

If to Parent or Borrower:	**HOLLANDER SLEEP PRODUCTS, LLC** 6501 Congress Avenue Suite 300 Boca Raton, Florida 33487 Attn: Stephen Cumbow Fax No. 561-214-4030
with copies to (which shall not constitute notice or service of process):	**SENTINEL CAPITAL PARTNERS, L.L.C.** 330 Madison Avenue, 27th Floor New York, NY 10017 Attn: Michael Fabian Fax No. (212) 688-6513
	KIRKLAND & ELLIS, LLP 601 Lexington Avenue New York, NY 10022 Attn: Yongjin Im Fax No. (212) 446-6460
If to Agent:	**BARINGS FINANCE LLC** 300 South Tryon Street, Suite 2500 Charlotte, North Carolina 28202

Attn: Brady Sutton
Fax No. (413) 226-3953

with copies to (which shall not constitute notice or service of process):

KING & SPALDING LLP
1185 6th Avenue
New York, NY
Attn: W. Austin Jowers
Fax No. (212) 556-2222

Any party hereto may change the address at which they are to receive notices hereunder, by notice in writing in the foregoing manner given to the other party. All notices or demands sent in accordance with this Section 11, shall be deemed received on the earlier of the date of actual receipt or 3 Business Days after the deposit thereof in the mail; provided, that (a) notices sent by overnight courier service shall be deemed to have been given when received, (b) notices by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient) and (c) notices by electronic mail shall be deemed received upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return email or other written acknowledgment).

12. CHOICE OF LAW AND VENUE; JURY TRIAL WAIVER; JUDICIAL REFERENCE PROVISION.

(a) **THE VALIDITY OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS (UNLESS EXPRESSLY PROVIDED TO THE CONTRARY IN ANOTHER LOAN DOCUMENT IN RESPECT OF SUCH OTHER LOAN DOCUMENT), THE CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT HEREOF AND THEREOF, THE RIGHTS OF THE PARTIES HERETO AND THERETO WITH RESPECT TO ALL MATTERS ARISING HEREUNDER OR THEREUNDER OR RELATED HERETO OR THERETO, AND ANY CLAIMS, CONTROVERSIES OR DISPUTES ARISING HEREUNDER OR THEREUNDER OR RELATED HERETO OR THERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.**

(b) Each party hereto hereby irrevocably and unconditionally:

(i) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other DIP Loan Documents to which it is a party to the exclusive general jurisdiction of the Supreme Court of the State of New York for the County of New York (the "New York Supreme Court"), and the United States District Court for the Southern District of New York (the "Federal District Court," and together with the New York Supreme Court, the "New York Courts") and appellate courts from either of them except to the extent that the provisions of the Bankruptcy Code are

applicable and specifically conflict with the foregoing; provided that nothing in this Agreement shall be deemed or operate to preclude (i) any Agent from bringing suit or taking other legal action in any other jurisdiction to realize on the DIP Collateral or any other security for the DIP Facility Obligations (in which case any party shall be entitled to assert any claim or defense, including any claim or defense that this Section 12 would otherwise require to be asserted in a legal action or proceeding in a New York Court), or to enforce a judgment or other court order in favor of the Agent or the Collateral Agent, (ii) any party from bringing any legal action or proceeding in any jurisdiction for the recognition and enforcement of any judgment and (iii) if all such New York Courts decline jurisdiction over any Person, or decline (or in the case of the Federal District Court, lack) jurisdiction over any subject matter of such action or proceeding, a legal action or proceeding may be brought with respect thereto in another court having jurisdiction;

(ii) 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 forum and agrees not to plead or claim the same;

(iii) 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 the Borrower, the applicable Lender or the Agent, as the case may be, at the address specified in Section 11 or at such other address of which the Agent, any such Lender and the Borrower shall have been notified pursuant thereto;

(iv) 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 12 any consequential or punitive damages.

Notwithstanding any other provision of this Section 12, the Bankruptcy Court shall have exclusive jurisdiction over any action or dispute involving, relating to or arising out of this agreement or the other DIP Loan Documents.

13. ASSIGNMENTS AND PARTICIPATIONS; SUCCESSORS.

13.1 **Assignments and Participations**.

(a) (i) Subject to the conditions set forth in clause (a)(ii) below, any Lender may assign and delegate all or any portion of its rights and duties under the DIP Loan

Documents (including the DIP Facility Obligations owed to it and its DIP Loan Commitments) to one or more assignees so long as such prospective assignee is an Eligible Transferee (each, an "Assignee"), without the prior written consent of Borrower; and

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

(A) no assignment may be made to a natural person;

(B) the amount of the DIP Loan Commitments and DIP Loans and the other rights and obligations of the assigning Lender hereunder and under the other DIP Loan Documents subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to Agent) shall be in a minimum amount of $1,000,000 (or lesser amounts, if agreed between Borrower and Agent, or otherwise if less, all of such Lender's remaining DIP Loan Commitments and DIP Loans) and in integral multiples of $100,000 in excess thereof, except such minimum amount shall not apply to (I) an assignment or delegation by any Lender to any other Lender, an Affiliate of any Lender, or a Related Fund of such Lender or (II) a group of new Lenders, each of which is an Affiliate of each other or a Related Fund of such new Lender to the extent that the aggregate amount to be assigned to all such new Lenders is at least $1,000,000);

(C) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement;

(D) the parties to each assignment shall execute and deliver to Agent an Assignment and Acceptance; provided, that Borrower and Agent may continue to deal solely and directly with the assigning Lender in connection with the interest so assigned to an Assignee until written notice of such assignment, together with payment instructions, addresses, and related information with respect to the Assignee, have been given to Borrower and Agent by such Lender and the Assignee;

(E) unless waived by Agent (and except in the case of an assignment to an Affiliate or Related Fund of the assigning Lender), the assigning Lender or Assignee has paid to Agent, for Agent's separate account, a processing fee in the amount of $3,500;

(F) [intentionally omitted]; and

(G) no assignment may be made to any Disqualified Lender.

(b) From and after the date that Agent receives the executed Assignment and Acceptance and, if applicable, payment of the required processing fee, (i) the Assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have

been assigned to it pursuant to such Assignment and Acceptance, shall be a "Lender" and shall have the rights and obligations of a Lender under the DIP Loan Documents, and (ii) the assigning Lender shall, to the extent that rights and obligations hereunder and under the other DIP Loan Documents have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights (except with respect to Section 15.3) and be released from any future obligations under this Agreement (and in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement and the other DIP Loan Documents, such Lender shall cease to be a party hereto and thereto); provided, that nothing contained herein shall release any assigning Lender from obligations that survive the termination of this Agreement, including such assigning Lender's obligations under Section 15 and Section 17.9(a).

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

(d) Immediately upon Agent's receipt of the required processing fee, if applicable, and delivery of notice to the assigning Lender pursuant to Section 13.1(b), this Agreement shall be deemed to be amended to the extent, but only to the extent, necessary to reflect the addition of the Assignee and the resulting adjustment of the Loans assigned to it arising therefrom.

(e) Any Lender may at any time sell to one or more commercial banks, financial institutions, or other Persons, other than a Disqualified Lender (a "Participant") participating interests in all or any portion of its DIP Facility Obligations, its DIP Loan Commitment, and the other rights and interests of that Lender (the "Originating Lender") hereunder and under the other Loan Documents; provided, that (i) the Originating Lender shall remain a "Lender" for all purposes of this Agreement and the other DIP Loan Documents and the Participant receiving the participating interest in the DIP Facility Obligations, the DIP Loan

Commitments, and the other rights and interests of the Originating Lender hereunder shall not constitute a "Lender" hereunder or under the other DIP Loan Documents and the Originating Lender's obligations under this Agreement shall remain unchanged, (ii) the Originating Lender shall remain solely responsible for the performance of such obligations, (iii) Borrower, Agent, and the Lenders shall continue to deal solely and directly with the Originating Lender in connection with the Originating Lender's rights and obligations under this Agreement and the other DIP Loan Documents, (iv) no Lender shall transfer or grant any participating interest under which the Participant has the right to approve any amendment to, or any consent or waiver with respect to, this Agreement or any other DIP Loan Document, except to the extent such amendment to, or consent or waiver with respect to this Agreement or of any other DIP Loan Document would (A) extend the final maturity date of the DIP Facility Obligations hereunder in which such Participant is participating, (B) reduce the interest rate applicable to the DIP Facility Obligations hereunder in which such Participant is participating, (C) release all or substantially all of the DIP Collateral or guaranties (except to the extent expressly provided herein or in any of the DIP Loan Documents) supporting the DIP Facility Obligations hereunder in which such Participant is participating, (D) postpone the payment of, or reduce the amount of, the interest or fees payable to such Participant through such Lender (other than a waiver of default interest), or (E) decrease the amount or postpone the due dates of scheduled principal repayments or prepayments or premiums payable to such Participant through such Lender (for the avoidance of doubt, mandatory prepayments pursuant to Section 2.4(d)(ii) or Section 2.4(d)(iii) may be postponed, delayed, waived or modified without the consent of a Participant), (v) no participation shall be sold to a natural person, (vi) [intentionally omitted], and (vii) all amounts payable by Borrower hereunder shall be determined as if such Lender had not sold such participation, except that, if amounts outstanding under this Agreement are due and unpaid, or shall have been declared or shall have become due and payable upon the occurrence of an Event of Default, each Participant shall be deemed to have the right of setoff in respect of its participating interest in amounts owing under this Agreement to the same extent as if the amount of its participating interest were owing directly to it as a Lender under this Agreement; provided, however, that each Participant shall be entitled to the benefits of Section 16 as if it were a Lender provided such Participant delivers the forms and documentation required by Section 16 (it being understood that the documentation under Section 16 shall be delivered to the Participating Lender) and otherwise agrees in writing to be subject to Section 16 as if it were a Lender. Subject to the foregoing, sentence, the rights of any Participant only shall be derivative through the Originating Lender with whom such Participant participates and no Participant shall have any rights under this Agreement or the other DIP Loan Documents or any direct rights as to the other Lenders, Agent, Borrower, the Collateral, or otherwise in respect of the DIP Facility Obligations. No Participant shall have the right to participate directly in the making of decisions by the Lenders among themselves.

(f) In connection with any such assignment or participation or proposed assignment or participation or any grant of a security interest in, or pledge of, its rights under and interest in this Agreement, a Lender may, subject to the provisions of Section 17.9, disclose all documents and information which it now or hereafter may have relating to Parent and its Subsidiaries and their respective businesses.

(g) Any other provision in this Agreement notwithstanding, any Lender may at any time create a security interest in, or pledge, all or any portion of its rights under and

interest in this Agreement to secure obligations of such Lender, including any security interest or pledge in favor of any Federal Reserve Bank (or any central bank having jurisdiction over such Lender) in accordance with Regulation A of the Federal Reserve Bank or U.S. Treasury Regulation 31 CFR §203.24, and the holder of such security interest or pledge (including such Federal Reserve Bank or central bank) may enforce such pledge or security interest in any manner permitted under applicable law. Without limiting the foregoing, in the case of any Lender that is a fund that invests in bank loans and similar extensions of credit, such Lender may, without the consent of Agent or any other Person, collaterally assign or pledge all or any portion of its rights as a Lender under the DIP Loan Documents to any holder of, trustee for, or any other representative of holders of, obligations owed or securities issued by such fund, as security for such obligations or securities.

(h) Agent (as a non-fiduciary agent on behalf of Borrower) shall maintain, or cause to be maintained, a register (the "Register") in the United States on which it enters the name and address of each Lender as the registered owner of the DIP Loan Commitments, the principal amount of DIP Loans owing to it and stated interest thereon, held by such Lender (each, a "Registered Loan"). A Registered Loan (and the registered note, if any, evidencing the same) may be assigned or sold in whole or in part only by registration of such assignment or sale on the Register (and each registered note shall expressly so provide), and any assignment or sale of all or part of such Registered Loan (and the registered note, if any, evidencing the same) may be effected only by registration of such assignment or sale on the Register, together with the surrender of the registered note, if any, evidencing the same duly endorsed by (or accompanied by a written instrument of assignment or sale duly executed by) the holder of such registered note, whereupon, at the request of the designated assignee(s) or transferee(s), one or more new registered notes in the same aggregate principal amount shall be issued to the designated assignee(s) or transferee(s). Prior to the registration of assignment or sale of any Registered Loan (and the registered note, if any evidencing the same), Borrower shall treat the Person in whose name such Registered Loan (and the registered note, if any, evidencing the same) is registered as the owner thereof for the purpose of receiving all payments thereon and for all other purposes, notwithstanding notice to the contrary, absent manifest error. This Section 13.1(h) shall be construed so that the DIP Loans are at all times maintained in "registered form" within the meaning of Section 5f.103-1(b) of the United States Treasury Regulation.

(i) In the event that a Lender sells participations in the Registered Loan, such Lender, as a non-fiduciary agent on behalf of Borrower, shall maintain (or cause to be maintained) a register in accordance with Section 5f.103-1(c) of the United States Treasury Regulations and Section 163(f), 165(g), 871(h)(2), 881(c)(2) and 4701 of the IRC on which it enters the name of all participants in the Registered Loans held by it (and the principal amount (and stated interest thereon) of the portion of such Registered Loans that is subject to such participations) (the "Participant Register"). A Registered Loan (and the Registered Note, if any, evidencing the same) may be participated in whole or in part only by registration of such participation on the Participant Register (and each registered note shall expressly so provide). Any participation of such Registered Loan (and the registered note, if any, evidencing the same) may be effected only by the registration of such participation on the Participant Register. No Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any DIP Loan Document)

to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, Agent (in its capacity as Agent) shall have no responsibility for maintaining a Participant Register.

(j) Agent shall make a copy of the Register available for review by Borrower from time to time as Borrower may reasonably request.

(k) Lenders may not assign all or any portion of its DIP Loans hereunder to (i) the Parent or any of its Subsidiaries or (ii) any Person who, after giving effect to such assignment, would be an Affiliated Lender.

(l) Notwithstanding anything in this Section 13.1 to the contrary, prior to any assignment or sale by any Lender (a "Selling Lender") as of the Effective Date to any Person that is not a Lender (or an Affiliate of a Lender) as of the Effective Date, such Selling Lender shall notify (a "Notice of Intent to Assign") the Agent of its intent to assign or sale its interests in its DIP Facility Obligations, including the amount of DIP Facility Obligations the Selling Lender seeks to assign or sell (the "Available DIP Obligations"). The Agent shall, within one Business Day, notify (such notification, a "Pending Assignment Notice") all Lenders of the Notice of Intent to Assign and the terms thereof. Each Lender shall have 3 Business Days (the "Election Period") to elect to purchase all of the Available DIP Obligations from the Selling Lender by delivering a notice (an "Election Notice") to the Agent. Each Election Notice shall include the amount of Available DIP Obligations such Lender is willing to purchase from the Selling Lender and the purchase price. The Selling Lender shall assign the Available DIP Obligations to the Lender that submitted an Election Notice within the Election Period, and such Lender shall purchase from the Selling Lender the Available DIP Obligations, for the highest price; provided, however, if two or more Lenders deliver an Election Notice during the Election Period for the same purchase price and that purchase price represents the highest purchase price submitted, then the Available DIP Obligations shall be assigned to such Lenders based on their Pro Rata Shares. If no Lenders submitted an Election Notice to the Agent within the Election Period, then the Selling Lender may proceed to seek to assign or sell the full amount of Available DIP Obligations set forth in the Notice of Intent to Assign (but not a partial or lesser amount) to any Eligible Transferee.

13.2 **Successors**. This Agreement, the other DIP Loan Documents, and all Liens and DIP Liens and other rights and privileges created hereby or pursuant hereto or to any other DIP Loan Document shall be binding upon each Loan Party, the estate of each Loan Party, and any trustee, other estate representative or any successor in interest of any Loan Party in any Chapter 11 Case or any subsequent case commenced under Chapter 7 of the Bankruptcy Code, and shall not be subject to Section 365 of the Bankruptcy Code. This Agreement and the other DIP Loan Documents shall be binding upon, and inure to the benefit of, the successors of the Agent and the Lenders and their respective assigns, transferees and endorsees. The Liens and DIP Liens created by this Agreement and the other DIP Loan Documents shall be and remain valid and perfected in the event of the substantive consolidation or conversion of any Chapter 11 Case or

any other bankruptcy case of any Loan Party to a case under Chapter 7 of the Bankruptcy Code or in the event of dismissal of any Chapter 11 Case or the release of any DIP Collateral from the jurisdiction of the Bankruptcy Court for any reason, without the necessity that the Agent file financing statements or otherwise perfect its Liens or DIP Liens under applicable law. This Agreement shall bind and inure to the benefit of the respective permitted successors and assigns of each of the parties; provided, that, except to the extent otherwise expressly permitted hereunder, Borrower may not assign this Agreement or any rights or duties hereunder without the Lenders' prior written consent and any prohibited assignment shall be absolutely void *ab initio*. No consent to assignment by the Lenders shall release Borrower from its DIP Facility Obligations. A Lender may assign this Agreement and the other Loan Documents and its rights and duties hereunder and thereunder pursuant to Section 13.1 and no consent or approval by any Loan Party is required in connection with any such assignment.

14. AMENDMENTS; WAIVERS.

14.1 **Amendments and Waivers**.

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

(i) increase the amount of or extend the expiration date of any DIP Loan Commitment of such Lender (it being understood that a waiver of any condition precedent or the waiver of any Default, Event of Default or mandatory prepayment pursuant to Section 2.4(d) (for clarity, excluding Section 2.4(d)(i)) shall not constitute an extension or increase of any DIP Loan Commitment),

(ii) postpone or delay any date fixed by this Agreement or any other DIP Loan Document for any payment of principal, interest, fees, or other amounts due hereunder or under any other DIP Loan Document (for the avoidance of doubt, mandatory prepayments pursuant to Section 2.4(d) (for clarity, excluding Section 2.4(d)(i)) may be postponed, delayed, waived or modified with the consent of Required Lenders) due to such Lender,

(iii) reduce the principal of, or the rate of interest on, any loan or other extension of credit hereunder, or reduce any fees or other amounts payable hereunder or under any other DIP Loan Document other than the Fee Letter due to such Lender (except (i) in connection with the waiver of applicability of Section 2.6(c) and (ii) in connection with the waiver of a mandatory prepayment under Section 2.4(d) (for clarity, excluding Section 2.4(d)(i)), which, in each case, shall be effective with the written consent of the Required Lenders),

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

(v) amend the currency in which any DIP Loans or any other DIP Facility Obligations are payable to such Lender,

(vi) [reserved],

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

(viii) other than in connection with a transaction permitted by the terms hereof or the other DIP Loan Documents, (x) release Borrower or (y) release or contractually subordinate all or substantially all of the value of the Guarantees or all or substantially all of the Collateral,

(ix) amend, modify, or eliminate any of the provisions of Section 2.4(b)(i) or (ii), or

(x) [reserved],

(b) No amendment, waiver, modification, or consent shall amend, modify, waive, or eliminate any provision of Section 15 pertaining to Agent, or any other rights or duties of Agent under this Agreement or the other DIP Loan Documents, without the written consent of Agent, Borrower, and the Required Lenders.

(c) [reserved].

(d) For the avoidance of doubt, it is understood and agreed that each Lender shall be deemed directly and adversely affected by any amendments, modifications or waivers described in clauses (iv), (vii) (subject to the proviso in clause (vii)) or (viii) of Section 14.1(a).

(e) [Intentionally Omitted].

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

Notwithstanding anything to the contrary herein, with the consent of Agent at the request of Borrower (without the need to obtain any consent of any Lender), any DIP Loan Document may be amended to cure any obvious error or any error or omission of a technical nature that is jointly identified by Agent and Borrower.

14.2 **Mitigation; Replacement of Certain Lenders**.

(a) If any Lender requires Borrower to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 16, then such Lender shall (at the request of Borrower) use reasonable efforts to designate a different lending office for funding or booking its DIP Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 16 in the future, and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. Borrower hereby agrees to pay all reasonable and documented out-of-pocket costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) If (i) any action to be taken by the Lender Group or Agent hereunder requires the consent, authorization, or agreement of all Lenders or all Lenders affected thereby and if such action has received the consent, authorization, or agreement of the Required Lenders, all Lenders, or all Lenders affected thereby, or (ii) any Lender makes a claim for compensation under Section 16, and has declined or is unable to designate a different lending office pursuant to Section 14.2(a), then Borrower or Agent, upon at least 5 Business Days prior irrevocable notice (or such shorter period as Agent may agree), may permanently replace any Lender (and its Affiliates) that failed to give its consent, authorization, or agreement (a "Non-Consenting Lender") or any Lender that made a claim for compensation (a "Tax Lender") with one or more Replacement Lenders, and the Non-Consenting Lender (and its Affiliates) or Tax Lender (and its Affiliates), as applicable, shall have no right to refuse to be replaced hereunder. Such notice to replace the Non-Consenting Lender or Tax Lender, as applicable, shall specify an effective date for such replacement, which date shall not be later than 15 Business Days after the date such notice is given.

(c) Prior to the effective date of such replacement, the Non-Consenting Lender (and its Affiliates) or Tax Lender (and its Affiliates), as applicable, and each Replacement Lender shall execute and deliver an Assignment and Acceptance, subject only to the Non-Consenting Lender (and its Affiliates) or Tax Lender (and its Affiliates), as applicable, being repaid in full its share of the outstanding DIP Facility Obligations (without any premium or penalty of any kind whatsoever, but including all interest, fees and other amounts that may be due in payable in respect thereof). If the Non-Consenting Lender (or its Affiliates) or Tax Lender (or its Affiliates), as applicable, shall refuse or fail to execute and deliver any such Assignment and Acceptance prior to the effective date of such replacement, Agent may, but shall not be required to, execute and deliver such Assignment and Acceptance in the name of and on behalf of the Non-Consenting Lender (and its Affiliates) or Tax Lender (and its Affiliates), as applicable, and irrespective of whether Agent executes and delivers such Assignment and Acceptance, the Non-Consenting Lender (and its Affiliates) or Tax Lender (and its Affiliates), as applicable, shall be deemed to have executed and delivered such Assignment and Acceptance. The replacement of any Non-Consenting Lender (or its Affiliates) or Tax Lender (or its Affiliates), as applicable, shall be made in accordance with the terms of Section 13.1. Until such time as one or more Replacement Lenders shall have acquired all of the DIP Facility Obligations, the DIP Loan Commitments, and the other rights and obligations of the Non-Consenting Lender (and its Affiliates) or Tax Lender (and its Affiliates), as applicable, hereunder and under the

other DIP Loan Documents, the Non-Consenting Lender (and its Affiliates) or Tax Lender (and its Affiliates), as applicable, shall remain obligated to make the Non-Consenting Lender's (and its Affiliates) or Tax Lender's (and its Affiliates), as applicable, Pro Rata Share of DIP Loans.

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

15. AGENT; THE LENDER GROUP.

15.1 **Appointment and Authorization of Agent**. Each Lender hereby designates and appoints Barings Finance LLC as its agent under this Agreement and the other DIP Loan Documents and each Lender hereby irrevocably authorizes Agent to execute and deliver each of the other DIP Loan Documents on its behalf and to take such other action on its behalf under the provisions of this Agreement and each other DIP Loan Document and to exercise such powers and perform such duties as are expressly delegated to Agent by the terms of this Agreement or any other DIP Loan Document, together with such powers as are reasonably incidental thereto. Agent agrees to act as agent for and on behalf of the Lenders on the conditions contained in this Section 15. Any provision to the contrary contained elsewhere in this Agreement or in any other DIP Loan Document notwithstanding, Agent shall not have any duties or responsibilities, except those expressly set forth herein or in the other DIP Loan Documents, nor shall Agent have or be deemed to have any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other DIP Loan Document or otherwise exist against Agent. Without limiting the generality of the foregoing, the use of the term "agent" in this Agreement or the other DIP Loan Documents with reference to Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used merely as a matter of market custom, and is intended to create or reflect only a representative relationship between independent contracting parties. Each Lender hereby further authorizes Agent to act as the secured party under each of the DIP Loan Documents that create a DIP Lien on any item of DIP Collateral. Except as expressly otherwise provided in this Agreement, Agent shall have and may use its sole discretion with respect to exercising or refraining from exercising any discretionary rights or taking or refraining from taking any actions that Agent expressly is entitled to take or assert under or pursuant to this Agreement and the other DIP Loan Documents. Without limiting the generality of the foregoing, or of any other provision of the DIP Loan Documents that provides rights or powers to Agent, Lenders agree that Agent shall have the right to exercise the following powers as long as this Agreement remains in effect: (a) maintain, in accordance with its customary business practices, ledgers and records reflecting the status of the DIP Facility Obligations, the DIP Collateral, payments and proceeds of DIP Collateral, and related matters, (b) execute or file any and all financing or similar statements or notices, amendments, renewals, supplements, documents, instruments, proofs of claim, notices and other

written agreements with respect to the DIP Loan Documents, (c) make DIP Loans, for itself or on behalf of Lenders, as provided in the DIP Loan Documents, (d) exclusively receive, apply, and distribute payments and proceeds of the DIP Collateral as provided in the DIP Loan Documents, (e) open and maintain such bank accounts and cash management arrangements as Agent deems necessary and appropriate in accordance with the DIP Loan Documents for the foregoing purposes, (f) perform, exercise, and enforce any and all other rights and remedies of the Lender Group with respect to Parent or its Subsidiaries, the DIP Facility Obligations, the DIP Collateral, or otherwise related to any of same as provided in the DIP Loan Documents, and (g) incur and pay such Lender Group Expenses as Agent may deem necessary or appropriate for the performance and fulfillment of its functions and powers pursuant to the DIP Loan Documents.

15.2 **Delegation of Duties.** Agent may execute any of its duties under this Agreement or any other DIP Loan Document by or through agents, employees or attorneys in fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. Each member of the Lender Group and each Loan Party acknowledges and agrees that any agent appointed by Agent shall be entitled to the rights and benefits of this Section 15. Agent shall not be responsible for the negligence or misconduct of any agent or attorney in fact that it selects as long as such selection was made without gross negligence or willful misconduct.

15.3 **Liability of Agent**. None of the Agent-Related Persons shall (a) be liable for any action taken or omitted to be taken by any of them under or in connection with this Agreement or any other DIP Loan Document or the transactions contemplated hereby (except for its own gross negligence or willful misconduct), or (b) be responsible in any manner to any of the Lenders for any recital, statement, representation or warranty made by Parent or any of its Subsidiaries or Affiliates, or any officer or director thereof, contained in this Agreement or in any other DIP Loan Document, or in any certificate, report, statement or other document referred to or provided for in, or received by Agent under or in connection with, this Agreement or any other DIP Loan Document, or the validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other DIP Loan Document, or for any failure of Parent or its Subsidiaries or any other party to any DIP Loan Document to perform its obligations hereunder or thereunder. No Agent-Related Person shall be under any obligation to any Lenders to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other DIP Loan Document, or to inspect the books and records or properties of Parent or its Subsidiaries.

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

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

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

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

irrespective of whether such information came into Agent's or its Affiliates' or representatives' possession before or after the date on which such Lender became a party to this Agreement.

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

15.8 **Agents in Individual Capacity**. Barings Finance LLC and its Affiliates may make loans to, acquire Equity Interests in, and generally engage in any kind of banking, trust, financial advisory, underwriting, or other business with Parent and its Subsidiaries and Affiliates and any other Person party to any DIP Loan Document as though it were not Agent hereunder, and, in each case, without notice to or consent of the other members of the Lender Group. The other members of the Lender Group acknowledge that, pursuant to such activities, Barings Finance LLC or its Affiliates may receive information regarding Parent or its Affiliates or any other Person party to any DIP Loan Documents that is subject to confidentiality obligations in favor of Parent or such other Person and that prohibit the disclosure of such information to the Lenders, and the Lenders acknowledge that, in such circumstances (and in the absence of a waiver of such confidentiality obligations, which waiver Agent will use its reasonable best efforts to obtain), Agent shall not be under any obligation to provide such information to them. The terms "Lender" and "Lenders" include Barings Finance LLC in its individual capacity.

15.9 **Successor Agent**. Agent may resign as Agent upon 30 days (10 days if an Event of Default has occurred and is continuing) prior written notice to the Lenders (unless such notice or applicable notice period is waived by the Required Lenders). If Agent resigns under this Agreement, the Required Lenders shall be entitled, to appoint a successor Agent for the Lenders. If no successor Agent is appointed prior to the effective date of the resignation of Agent, Agent may appoint, after consulting with the Lenders, a successor Agent. If Agent has materially breached or failed to perform any material provision of this Agreement or of applicable law, the Required Lenders may agree in writing to remove and replace Agent with a successor Agent from among the Lenders. In any such event, upon the acceptance of its appointment as successor Agent hereunder, such successor Agent shall succeed to all the rights, powers, and duties of the retiring Agent and the term "Agent" shall mean such successor Agent and the retiring Agent's appointment, powers, and duties as Agent shall be terminated. After any retiring Agent's resignation hereunder as Agent, the provisions of this Section 15 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Agreement. If no successor Agent has accepted appointment as Agent by the date which is 30 days (10 days if an Event of Default has occurred and is continuing) following a retiring Agent's notice of resignation, the retiring Agent's resignation shall nevertheless thereupon become effective and the Lenders shall perform all of the duties of Agent hereunder until such time, if any, as the Lenders appoint a successor Agent as provided for above.

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

15.11 **Collateral Matters.**

(a) The Lenders hereby irrevocably authorize Agent to release any DIP Lien on any DIP Collateral (i) upon the termination of the DIP Loan Commitments and payment and satisfaction in full by Borrower of all of the DIP Facility Obligations, (ii) constituting property being sold or disposed of (to Persons other than Loan Parties) if a release is required or desirable in connection therewith and if a Responsible Officer of Borrower certifies in writing to Agent that the sale or disposition is permitted under Section 6.4 (and Agent may rely conclusively on any such certificate, without further inquiry), or (iii) in connection with a credit bid or purchase authorized under this Section 15.11. Notwithstanding anything to the contrary in the foregoing, to the extent property is sold or disposed of pursuant to and in accordance with Section 6.4 (to Persons other than Loan Parties), the DIP Lien on such sold or disposed DIP Collateral shall

automatically terminate. The Loan Parties and the Lenders hereby irrevocably authorize Agent, based upon the instruction of the Required Lenders, to (a) consent to, credit bid or purchase (either directly or indirectly through one or more entities) all or any portion of the DIP Collateral at any sale thereof conducted under the provisions of the Bankruptcy Code, including Section 363 of the Bankruptcy Code and any similar laws in any other jurisdictions in which a Loan Party is subject, (b) credit bid or purchase (either directly or indirectly through one or more entities) all or any portion of the DIP Collateral at any sale or other disposition thereof conducted under the provisions of the Code, including pursuant to Sections 9-610 or 9-620 of the Code, or (c) credit bid or purchase (either directly or indirectly through one or more entities) all or any portion of the DIP Collateral at any other sale or foreclosure conducted or consented to by Agent in accordance with applicable law in any judicial action or proceeding or by the exercise of any legal or equitable remedy. In connection with any such credit bid or purchase, (i) the DIP Facility Obligations owed to the Lenders shall be entitled to be, and shall be, credit bid on a ratable basis (with DIP Facility Obligations with respect to contingent or unliquidated claims being estimated for such purpose if the fixing or liquidation thereof would not impair or unduly delay the ability of Agent to credit bid or purchase at such sale or other disposition of the DIP Collateral and, if such contingent or unliquidated claims cannot be estimated without impairing or unduly delaying the ability of Agent to credit bid at such sale or other disposition, then such claims shall be disregarded, not credit bid, and not entitled to any interest in the DIP Collateral that is the subject of such credit bid or purchase) and the Lenders whose DIP Facility Obligations are credit bid shall be entitled to receive interests (ratably based upon the proportion of their DIP Facility Obligations credit bid in relation to the aggregate amount of DIP Facility Obligations so credit bid) in the DIP Collateral that is the subject of such credit bid or purchase (or in the Equity Interests of the any entities that are used to consummate such credit bid or purchase), and (ii) Agent, based upon the instruction of the Required Lenders, may accept non-cash consideration, including debt and equity securities issued by any entities used to consummate such credit bid or purchase and in connection therewith Agent may reduce the DIP Facility Obligations owed to the Lenders (ratably based upon the proportion of their DIP Facility Obligations credit bid in relation to the aggregate amount of DIP Facility Obligations so credit bid) based upon the value of such non-cash consideration. Except as provided above, Agent will not execute and deliver a release of any DIP Lien on any DIP Collateral without the prior written authorization of (y) if the release is of all or substantially all of the DIP Collateral, all of the Lenders, or (z) otherwise, the Required Lenders. Upon request by Agent or Borrower at any time, the Lenders will confirm in writing Agent's authority to release any such DIP Liens on particular types or items of DIP Collateral pursuant to this Section 15.11; provided, that (1) anything to the contrary contained in any of the DIP Loan Documents notwithstanding, Agent shall not be required to execute any document or take any action necessary to evidence such release on terms that, in Agent's reasonable opinion, could expose Agent to liability or create any obligation or entail any consequence other than the release of such DIP Lien without recourse, representation, or warranty, and (2) such release shall not in any manner discharge, affect, or impair the DIP Facility Obligations or any DIP Liens (other than those expressly released) upon (or obligations of Borrower in respect of) any and all interests retained by Borrower, including, the proceeds of any sale, all of which shall continue to constitute part of the DIP Collateral.

(b) Agent shall have no obligation whatsoever to any of the Lenders (i) to verify or assure that the DIP Collateral exists or is owned by Parent or its Subsidiaries or is cared

for, protected, or insured or has been encumbered, (ii) to verify or assure that Agent's DIP Liens have been properly or sufficiently or lawfully created, perfected, protected, or enforced or are entitled to any particular priority, (iii) to verify or assure that any particular items of DIP Collateral meet the eligibility criteria applicable in respect thereof, (iv) to impose, maintain, increase, reduce, implement, or eliminate any particular reserve hereunder or to determine whether the amount of any reserve is appropriate or not, or (v) to exercise at all or in any particular manner or under any duty of care, disclosure or fidelity, or to continue exercising, any of the rights, authorities and powers granted or available to Agent pursuant to any of the DIP Loan Documents, it being understood and agreed that in respect of the DIP Collateral, or any act, omission, or event related thereto, subject to the terms and conditions contained herein, Agent may act in any manner it may deem appropriate, in its sole discretion given Agent's own interest in the DIP Collateral in its capacity as one of the Lenders and that Agent shall not have any other duty or liability whatsoever to any Lender as to any of the foregoing, except as otherwise expressly provided herein.

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

(a) Each of the Lenders agrees that it shall not, without the express written consent of Agent, set off against the DIP Facility Obligations, any amounts owing by such Lender to Parent or its Subsidiaries or any deposit accounts of Parent or its Subsidiaries now or hereafter maintained with such Lender. Each of the Lenders further agrees that it shall not, unless specifically requested to do so in writing by Agent, take or cause to be taken any action, including, the commencement of any legal or equitable proceedings to enforce any DIP Loan Document against Borrower or any Guarantor or to foreclose any DIP Lien on, or otherwise enforce any security interest in, any of the DIP Collateral.

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

15.13 **Agency for Perfection**. Agent hereby appoints each other Lender as its agent (and each Lender hereby accepts such appointment) for the purpose of perfecting Agent's DIP Liens in assets which, in accordance with Article 8 or Article 9, as applicable, of the Code can be

perfected by possession or control. Should any Lender obtain possession or control of any such DIP Collateral, such Lender shall notify Agent thereof, and, promptly upon Agent's request therefor shall deliver possession or control of such DIP Collateral to Agent or in accordance with Agent's instructions.

15.14 **Payments by Agent to the Lenders**. All payments to be made by Agent to the Lenders shall be made as soon as reasonably practicable and, in any event, within two (2) Business Days of receipt from Borrower in immediately available funds, by bank wire transfer of immediately available funds pursuant to such wire transfer instructions as each party may designate for itself by written notice to Agent. Concurrently with each such payment, Agent shall identify whether such payment (or any portion thereof) represents principal, premium, fees, or interest of the DIP Facility Obligations.

15.15 **Concerning the Collateral and Related Loan Documents**. Each member of the Lender Group authorizes and directs Agent to enter into this Agreement and the other DIP Loan Documents. Each member of the Lender Group agrees that any action taken by Agent in accordance with the terms of this Agreement or the other DIP Loan Documents relating to the DIP Collateral and the exercise by Agent of its powers set forth therein or herein, together with such other powers that are reasonably incidental thereto, shall be binding upon all of the Lenders.

15.16 **[Intentionally Omitted]**.

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

15.18 **[Reserved]**.

16. WITHHOLDING TAXES.

16.1 **Payments**. All payments under the DIP Loan Documents by or on account of any obligation of any Loan Party will be made free and clear of, and without deduction or withholding for, any present or future Taxes, except as required by applicable law. If any Taxes

are required to be deducted or withheld from any payment by or on account of any obligation of any Loan Party under any DIP Loan Document, Borrower shall deduct, withhold or pay (as the case may be) the full amount of such Taxes to the relevant Governmental Authority and, if such Taxes are Indemnified Taxes, the amount payable by the Loan Parties shall be increased as is necessary so that after withholding or deduction for or on account of such Indemnified Taxes, the amount received by the applicable Recipient will not be less than the amount the applicable Recipient would have received had no such withholding or deduction in respect of Indemnified Taxes been made. Borrower will furnish to Agent promptly after the date the payment of any Tax is due pursuant to applicable law, certified copies of tax returns and receipts (or such other similar documents as may be available) evidencing such payment by Borrower, or other evidence of payment reasonably satisfactory to Agent. Borrower agrees to pay any present or future stamp, value added, court or documentary, intangible, recording, filing or similar taxes or any other excise or property taxes, charges, or similar levies, other than Excluded Taxes or Taxes resulting from an assignment ("Other Taxes") that arise from any payment made hereunder or from the execution, delivery, performance, recordation, registration, from the receipt or perfection of a security interest under, or filing of, or otherwise with respect to this Agreement or any other DIP Loan Document within 10 days after receipt of demand therefor. The Loan Parties shall jointly and severally indemnify each Indemnified Person (as defined in Section 10.3) (collectively a "Tax Indemnitee") for the full amount of Indemnified Taxes or Other Taxes arising in connection with this Agreement or any other DIP Loan Document (including, without limitation, any Indemnified Taxes or Other Taxes imposed or asserted on, or attributable to, amounts payable under this Section 16) imposed on, or paid by, or required to be withheld on payments to, such Tax Indemnitee and all reasonable and documented fees and disbursements of attorneys, experts or consultants, and all other reasonable costs and expenses actually incurred in connection therewith or in connection with the enforcement of this indemnification, as and when they are incurred and irrespective of whether suit is brought, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to Borrower by a Lender (with a copy to Agent), or by Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error. The obligations of Borrower and Loan Parties under this Section 16 shall survive the termination of this Agreement and the repayment of the Loans.

16.2 **Exemptions**.

(a) Each Lender and Agent agrees to deliver to Agent and Borrower (and each Participant agrees to deliver to the Originating Lender), two original copies of the following forms, as applicable, before receiving its first payment under this Agreement, but only to the extent such Lender, Participant or Agent is legally entitled to deliver such forms:

(i) if such Lender or Participant or Agent is a Foreign Lender entitled to claim an exemption from United States withholding tax pursuant to the portfolio interest exception, (A) a statement of the Lender or Participant or Agent, signed under penalty of perjury, that it is not a (I) a "bank" as described in Section 881(c)(3)(A) of the IRC, (II) a 10% shareholder of Borrower (within the meaning of Section 871(h)(3)(B) of the IRC), or (III) a controlled foreign corporation related to Borrower within the meaning of Section 864(d)(4) of

the IRC, and (B) a properly completed and executed IRS Form W-8BEN-E or Form W-8IMY (with proper attachments);

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

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

(iv) if such Lender or Participant or Agent is a Foreign Lender entitled to claim that interest paid under this Agreement is exempt from United States withholding Tax because such Lender or Participant or Agent serves as an intermediary, a properly completed and executed copy of IRS Form W-8IMY (with proper attachments); or

(v) if such Lender or Participant or Agent is a U.S. Person, a properly completed and executed copy of any other form or forms, including IRS Form W-9, as may be required under the IRC as a condition to exemption from, or reduction of, United States withholding or backup withholding Tax.

(b) Each Lender or Participant or Agent shall provide new forms (or successor forms) upon the expiration or obsolescence of any previously delivered forms, or if any such form becomes inaccurate in any respect, and promptly notify Agent and Borrower, or the Originating Lender in the case of a Participant, of any change in circumstances which would modify or render invalid any claimed exemption or reduction.

(c) If a Lender or Participant or Agent is entitled to claim an exemption or reduction from withholding Tax in a jurisdiction other than the United States, such Lender or such Agent agrees with and in favor of Agent and Borrower or the Participant agrees with and in favor of the Originating Lender, to deliver to Agent and Borrower, or the Originating Lender in the case of a Participant, any such form or forms, as may be required under the laws of such jurisdiction as a condition to exemption from, or reduction of, foreign withholding or backup withholding tax before receiving its first payment under this Agreement, but only if such Lender or such Participant or such Agent is legally entitled to deliver such forms. Nothing in this Section 16.2 shall require a Lender or Participant or Agent to disclose any information or provide documentation (i) that in Lender's reasonable judgment such completion, execution or submission would subject Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender or (ii) that it deems to be confidential (including without limitation, its tax returns). Each Lender and each Participant and each Agent shall provide new forms (or successor forms) upon the expiration or obsolescence of any previously delivered forms and to promptly notify Agent and Borrower, or the Originating Lender in the case of a Participant, of any change in circumstances which would modify or render invalid any claimed exemption or reduction.

(d) If a Lender or Participant claims exemption from, or reduction of, withholding Tax and such Lender or Participant sells, assigns, grants a participation in, or otherwise transfers all or part of the DIP Facility Obligations of Borrower to such Lender or Participant, such Lender or Participant agrees to notify Agent and Borrower (or, in the case of a sale of a participation interest, to the Lender granting the participation) of the percentage amount in which it is no longer the beneficial owner of DIP Facility Obligations of Borrower to such Lender or Participant. To the extent of such percentage amount, Agent and Borrower will treat such Lender's or the Originating Lender will treat such Participant's documentation provided pursuant to Section 16.2(a), 16.2(c) or 16.2(e) as no longer valid. With respect to such percentage amount, such Participant or Assignee shall provide new documentation to Agent and Borrower, or the Originating Lender in the case of a Participant, pursuant to Section 16.2(a), 16.2(c) or 16.2(e), if applicable. Borrower agrees that each Participant shall be entitled to the benefits of this Section 16 with respect to its participation in any portion of the DIP Loan Commitments and the DIP Facility Obligations so long as such Participant complies with the obligations set forth in this Section 16 with respect thereto.

(e) If a payment made to a Foreign Lender or Agent would be subject to United States federal withholding Tax imposed by FATCA if such Foreign Lender or Agent fails to comply with the applicable reporting requirements of FATCA, such Foreign Lender or Agent shall deliver to Agent and Borrower any documentation under any requirement of law (including as prescribed by Section 1471(b)(3)(C)(i) of the IRC) or reasonably requested by Agent or Borrower sufficient for Agent or Borrower to comply with their obligations under FATCA and to determine whether such Foreign Lender or Agent has complied with such applicable reporting requirements. Solely for purposes of this paragraph (e), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

16.3 **Reductions**.

(a) If a Lender or a Participant is entitled to a reduction in the applicable withholding Tax, Agent (or, in the case of a Participant, the Lender granting the participation) or Borrower may withhold from any payment to such Lender or such Participant an amount equivalent to the applicable withholding Tax after taking into account such reduction. If the forms or other documentation required by Section 16.2(a), 16.2(c) or 16.2(e) are not delivered to Agent (or, in the case of a Participant, to the Lender granting the participation), then Agent (or, in the case of a Participant, the Lender granting the participation) or Borrower may withhold from any payment to such Lender or such Participant not providing such forms or other documentation an amount equivalent to the applicable withholding tax as required by applicable law.

(b) If the IRS or any other Governmental Authority of the United States or other jurisdiction asserts a claim that Agent (or, in the case of a Participant, to the Lender granting the participation) did not properly withhold Tax from amounts paid to or for the account of any Lender or any Participant due to a failure on the part of the Lender or any Participant (because the appropriate form was not delivered, was not properly executed, or because such Lender failed to notify Agent (or such Participant failed to notify the Lender granting the participation) of a change in circumstances which rendered the exemption from, or reduction of, withholding tax ineffective, or for any other reason) such Lender shall indemnify and hold Agent

harmless (or, in the case of a Participant, such Participant shall indemnify and hold Agent and the Lender granting the participation harmless) for all amounts paid, directly or indirectly, by Agent (or, in the case of a Participant, to the Lender granting the participation), as Tax or otherwise, including penalties and interest, and including any taxes imposed by any jurisdiction on the amounts payable to Agent (or, in the case of a Participant, to the Lender granting the participation only) under this Section 16, together with all costs and expenses (including attorneys' fees and expenses). The obligation of the Lenders and the Participants under this subsection shall survive the payment of all DIP Facility Obligations and the resignation or replacement of Agent.

16.4 **Refunds**. If Agent or a Lender or Participant determines, in its sole discretion, that it has received a refund of any Indemnified Taxes with respect to which Borrower has paid additional amounts pursuant to this Section 16, so long as no Default or Event of Default has occurred and is continuing, it shall pay over such refund to Borrower (but only to the extent of payments made, or additional amounts paid, by Borrower under this Section 16 with respect to Indemnified Taxes giving rise to such a refund), net of all out-of-pocket expenses (including Taxes) of Agent or such Lender or such Participant and without interest (other than any interest paid by the applicable Governmental Authority with respect to such a refund); provided, that Borrower, upon the request of Agent or such Lender or such Participant, agrees to repay the amount paid over to Borrower (plus any penalties, interest or other charges, imposed by the applicable Governmental Authority, other than such penalties, interest or other charges imposed as a result of the willful misconduct, bad faith or gross negligence of Agent or such Lender or such Participant hereunder) to Agent or such Lender or such Participant in the event Agent or such Lender or such Participant is required to repay such refund to such Governmental Authority. Notwithstanding anything in this Agreement to the contrary, this Section 16 shall not be construed to require Agent or any Lender or any Participant to make available its tax returns (or any other confidential information) to Borrower or any other Person.

17. GENERAL PROVISIONS.

17.1 **Effectiveness**. Subject to the entry of the DIP Orders, this Agreement shall be binding and deemed effective when executed by Parent, Borrower, Agent, and each Lender whose signature is provided for on the signature pages hereof.

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

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

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

17.5 **[Intentionally Omitted]**.

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

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

17.8 **Revival and Reinstatement of DIP Facility Obligations; Certain Waivers**. If any member of the Lender Group repays, refunds, restores, or returns in whole or in part, any payment or property (including any proceeds of DIP Collateral) previously paid or transferred to such member of the Lender Group in full or partial satisfaction of any DIP Facility Obligation or on account of any other obligation of any Loan Party under any DIP Loan Document, because the payment, transfer, or the incurrence of the obligation so satisfied is asserted or declared to be void, voidable, or otherwise recoverable under any law relating to creditors' rights, including provisions of the Bankruptcy Code relating to fraudulent transfers, preferences, or other voidable or recoverable obligations or transfers (each, a "Voidable Transfer"), or because such member of the Lender Group elects to do so on the reasonable advice of its counsel in connection with a claim that the payment, transfer, or incurrence is or may be a Voidable Transfer, then, as to any such Voidable Transfer, or the amount thereof that such member of the Lender Group elects to repay, restore, or return (including pursuant to a settlement of any claim in respect thereof), and as to all reasonable costs, expenses, and attorneys' fees of such member of the Lender Group related thereto, the liability of the Loan Parties with respect to the amount or property paid, refunded, restored, or returned will automatically and immediately be revived, reinstated, and restored and will exist as if such Voidable Transfer had never been made. This Section 17.8 shall survive the termination of this Agreement and the repayment in full of the DIP Loans and other DIP Facility Obligations.

17.9 **Confidentiality**.

(a) Agent and Lenders each individually (and not jointly or jointly and severally) agree that information regarding Parent and its Subsidiaries, their operations, assets, and existing and contemplated business plans ("Confidential Information") shall be treated by

Agent and the Lenders in a confidential manner, and shall not be disclosed by Agent and the Lenders to Persons who are not parties to this Agreement, except: (i) to attorneys for and other advisors, accountants, auditors, and consultants to any member of the Lender Group and to employees, directors and officers of any member of the Lender Group (the Persons in this clause (i), "Lender Group Representatives") on a "need to know" basis in connection with this Agreement and the transactions contemplated hereby and on a confidential basis, (ii) to Subsidiaries and Affiliates of any member of the Lender Group, provided that any such Subsidiary or Affiliate shall have been informed of the confidential nature of the Confidential Information and instructed to keep such information confidential in accordance with the terms of this Section 17.9, (iii) as may be required or requested by regulatory authorities so long as such authorities are informed of the confidential nature of such information, (iv) as may be required by statute, decision, or judicial or administrative order, rule, or regulation; provided that (x) prior to any disclosure under this clause (iv), the disclosing party agrees to provide Borrower with prior notice thereof, to the extent that it is practicable to do so and to the extent that the disclosing party is permitted to provide such prior notice to Borrower pursuant to the terms of the applicable statute, decision, or judicial or administrative order, rule, or regulation and (y) any disclosure under this clause (iv) shall be limited to the portion of the Confidential Information as may be required by such statute, decision, or judicial or administrative order, rule, or regulation, (v) as may be agreed to in advance in writing by Borrower, (vi) as requested by any Governmental Authority or self-regulatory authority, provided, that, (x) prior to any disclosure under this clause (vi) (except in the case of routine reviews, audits and examinations) the disclosing party agrees to provide Borrower with prior written notice thereof, to the extent that it is practicable to do so and to the extent that the disclosing party is permitted to provide such prior written notice to Borrower pursuant to the terms of the applicable request and by law and (y) any disclosure under this clause (vi) shall be limited to the portion of the Confidential Information as may be requested by such Governmental Authority or self-regulatory authority pursuant to such applicable request, (vii) as required by any Governmental Authority pursuant to any subpoena or other legal process, provided, that, (x) prior to any disclosure under this clause (vii) the disclosing party agrees to provide Borrower with prior written notice thereof, to the extent that it is practicable to do so and to the extent that the disclosing party is permitted to provide such prior written notice to Borrower pursuant to the terms of the subpoena or other legal process and (y) any disclosure under this clause (vii) shall be limited to the portion of the Confidential Information as may be required by such Governmental Authority pursuant to such subpoena or other legal process, (viii) as to any such information that is or becomes generally available to the public (other than as a result of prohibited disclosure by Agent or the Lenders or the Lender Group Representatives), (ix) in connection with any assignment, participation or pledge of any Lender's interest under this Agreement, provided that prior to receipt of Confidential Information any such assignee, participant, or pledgee (other than the Federal Reserve Bank or any central bank in connection with a pledge thereto pursuant to Section 13.1(g)) shall have agreed in writing to receive such Confidential Information either subject to the terms of this Section 17.9 or pursuant to confidentiality requirements substantially similar to those contained in this Section 17.9 (and such Person may disclose such Confidential Information to Persons employed or engaged by them as described in clause (i) above), (x) in connection with any litigation or other adversary proceeding involving parties hereto which such litigation or adversary proceeding involves claims related to the rights or duties of such parties under this Agreement or the other DIP Loan Documents; provided, that, prior to any disclosure

to any Person (other than any Loan Party, Agent, any Lender, any of their respective Affiliates, or their respective counsel) under this clause (x) with respect to litigation involving any Person (other than Borrower, Agent, any Lender, any of their respective Affiliates, or their respective counsel), the disclosing party agrees to provide Borrower with prior written notice thereof, (xi) to exercise of any secured creditor remedy under this Agreement or under any other DIP Loan Document, and (xii) for purposes of establishing a "due diligence" or similar defense in any legal proceeding.

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

17.10 **Survival**. All representations and warranties made by the Loan Parties in the DIP Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other DIP Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the DIP Loan Documents and the making of any DIP Loans regardless of any investigation made by any such other party or on its behalf and notwithstanding that Agent or any Lender may have had notice or knowledge of any Default or Event of Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of, or any accrued interest on, any DIP Loan or any fee or any other amount payable under this Agreement is outstanding or unpaid and so long as the DIP Loan Commitments have not expired or been terminated.

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

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

17.13 **[Intentionally Omitted]**.

17.14 **Judgment Currency**. If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder or any other DIP Loan Document in one currency into another currency, the rate of exchange used shall be that at which in accordance with normal banking procedures Agent could purchase the first currency with such other currency on the Business Day preceding that on which final judgment is given. The obligation of Borrower in respect of any such sum due from it to Agent or any Lender hereunder or under the other DIP Loan Documents shall, notwithstanding any judgment in a currency (the "Judgment Currency") other than that in which such sum is denominated in accordance with the applicable provisions of this Agreement (the "Agreement Currency"), be discharged only to the extent that on the Business Day following receipt by Agent or such Lender, as the case may be, of any sum adjudged to be so due in the Judgment Currency, Agent or such Lender, as the case may be, may in accordance with normal banking procedures purchase the Agreement Currency with the Judgment Currency. If the amount of the Agreement Currency so purchased is less than the sum originally due to Agent or any Lender from Borrower in the Agreement Currency, Borrower agrees, as a separate obligation and notwithstanding any such judgment, to indemnify Agent or such Lender, as the case may be, against such loss. If the amount of the Agreement Currency so purchased is greater than the sum originally due to Agent or any Lender in such currency, Agent or such Lender, as the case may be, agrees to return the amount of any excess to Borrower (or to any other Person who may be entitled thereto under applicable law).

17.15 **No Setoff**. All payments made by Borrower hereunder or under any note or other Loan Document will be made without setoff, counterclaim, or other defense.

17.16 **Acknowledgement and Consent to Bail-In of EEA Financial Institutions**. Notwithstanding anything to the contrary in any DIP Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any DIP Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-in Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other DIP Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

[Signature pages to follow.]

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

PARENT GUARANTORS:

DREAM II HOLDINGS, LLC, a Delaware limited liability company

By:_____
Name:
Title:

HOLLANDER HOME FASHIONS HOLDINGS, LLC, a Delaware limited liability company

By:_____
Name:
Title:

BORROWER:

HOLLANDER SLEEP PRODUCTS, LLC, a Delaware limited liability company

By:_____
Name:
Title:

BARINGS FINANCE LLC, as Agent

By:_____
Name: Brady Sutton
Title: Managing Director

EXHIBIT 2.3(a)

FORM OF BORROWING NOTICE

Barings Finance LLC, as Agent
300 South Tryon Street
Suite 2500
Charlotte NC 28202
Attn: Eric Langerman
Fax No. [____]

Ladies and Gentlemen:

Reference is made to that certain **DEBTOR-IN-POSSESSION TERM LOAN CREDIT AGREEMENT** (the "Credit Agreement") dated as of May [_], 2019, by and among the lenders identified on the signature pages thereof (such lenders, together with their respective successors and permitted assigns, are referred to hereinafter each individually as a "Lender" and collectively as the "Lenders"), **BARINGS FINANCE LLC**, as the arranger and administrative agent for the Lenders ("Agent"), **DREAM II HOLDINGS, LLC**, a Delaware limited liability company ("Parent"), **HOLLANDER HOME FASHIONS HOLDINGS, LLC**, a Delaware limited liability company (together with Parent the "Parent Guarantors"), and **HOLLANDER SLEEP PRODUCTS, LLC**, a Delaware limited liability company ("Borrower"). Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Credit Agreement.

1. The Borrower hereby requests a DIP Loan to be made on the terms set forth below:

(a) Date of borrowing:	[_]
(b) Type of DIP Loan:	[_]
(c) Interest election:	[Base Rate] / [LIBOR Rate with an Interest Period of [1][2][3] month(s)]]
(d) Principal amount:	[_]

2. The Borrower hereby requests that the proceeds of the DIP Loan described in this Notice of Borrowing be disbursed to the accounts and in the amounts set forth next to each account on the funds flow attached hereto as Exhibit A.

3. As of the date hereof and after giving effect to the advance requested in this Notice of Borrowing, no Default or Event of Default has occurred and is continuing.

4. Each of the conditions set forth in Section **[3.1/3.2]** and Section 3.3 of the Credit Agreement is satisfied as of the date hereof and immediately after giving effect to the advance requested in this Notice of Borrowing.

5. The undersigned has been duly authorized by the Borrower to make this request for advance.

[**signature page to follow**]

BORROWER:

HOLLANDER SLEEP PRODUCTS, LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

Exhibit A

FUNDS FLOW

EXHIBIT 3.1

FORM OF OFFICER'S CERTIFICATE

OMNIBUS CERTIFICATE

May ___, 2019

Each of the undersigned hereby certifies that he or she is a duly elected, qualified and acting authorized officer of the entities listed on each schedule attached hereto (each listed entity, a "Company", and collectively, the "Companies"). Each of the undersigned hereby further certifies, as of the date hereof, solely on behalf of each Company, as applicable, and in such capacity (and not individually), that he or she is authorized to execute this certificate (this "Certificate") on behalf of the Companies and further hereby certifies that:

(a) This Certificate is furnished pursuant to (i) that certain Debtor-in-Possession Term Loan Credit Agreement entered into as of the date hereof (the "DIP Term Loan Credit Agreement"), by and among the lenders identified on the signature pages thereto, Barings Finance LLC, as administrative agent for each member of the Lender Group (as defined in the DIP Term Loan Credit Agreement) (in such capacity, together with its successors and assigns in such capacity, "DIP Term Loan Agent"), Dream II Holdings, LLC, a Delaware limited liability company ("Parent"), Hollander Home Fashions Holdings, LLC, a Delaware limited liability company ("HHFH" and together with Parent, the "Parent Guarantors"), and Hollander Sleep Products, LLC, a Delaware limited liability company ("HSP" or "Term Loan Borrower"), and (ii) that certain Debtor-in-Possession Credit Agreement entered into as of the date hereof (the "DIP ABL Credit Agreement" and, together with the DIP Term Loan Credit Agreement, the "Credit Agreements" and each, a "Credit Agreement"), by and among the lenders identified on the signature pages thereto, Wells Fargo Bank, National Association, as administrative agent for each member of the Lender Group (as defined in the DIP ABL Credit Agreement) and the Bank Product Providers (as defined in the DIP ABL Credit Agreement) (in such capacity, together with its successors and assigns in such capacity, "DIP ABL Agent"), Parent, HHFH, HSP, Hollander Sleep Products Kentucky, LLC, a Delaware limited liability company ("Hollander Kentucky"), Pacific Coast Feather Cushion, LLC, a Delaware limited liability company ("Cushion"), and Pacific Coast Feather, LLC, a Delaware limited liability company ("PCF"; HHFH, HSP, Hollander Kentucky, Cushion and PCF, are collectively, the "DIP ABL US Borrowers" and individually an "DIP ABL US Borrower"), and Hollander Sleep Products Canada Limited (formerly known as Hollander Canada Home Fashions Limited), a Canadian federal corporation ("DIP ABL Canadian Borrower;" DIP ABL US Borrowers and DIP ABL Canadian Borrower are collectively, the "DIP ABL Borrowers" and individually a "DIP ABL Borrower"). Unless otherwise defined herein, capitalized terms used in this Certificate shall have the meanings set forth in the DIP Term Loan Credit

Agreement or the DIP ABL Credit Agreement, as applicable, as the context requires.

(b) Attached hereto as Exhibit A are true, correct and complete copies of the Certificate of Formation of each Company (the "Formation Documents") as certified by the Secretary of State of the State of Delaware together with all amendments thereto adopted through the date hereof. Except as attached hereto, such Formation Documents have not been amended, modified, revoked or rescinded since the date of adoption thereof and are in full force and effect on and as of the date hereof. No actions have been taken by any of the Companies in contemplation of the dissolution of any of the Companies.

(c) Attached hereto as Exhibit B are true, correct and complete copies of the limited liability company agreement or operating agreement, as applicable, of each Company (the "Operating Agreements") as in effect on the date hereof, together with all amendments thereto adopted through the date hereof. Such Operating Agreements have not been otherwise amended, modified, revoked or rescinded since the date of adoption thereof and are in full force and effect on and as of the date hereof.

(d) Attached hereto as Exhibit C is a true, correct and complete copy of the resolutions duly adopted by each Company's board of directors or the sole member, as applicable (the "Board"), approving and authorizing the execution, delivery and performance of the Credit Agreements and the other Loan Documents (as defined in the DIP ABL Credit Agreement) and the DIP Loan Documents (as defined in the DIP Term Loan Credit Agreement) and the transactions contemplated thereby. Such resolutions have not been amended, modified, revoked or rescinded since the date of adoption thereof, are in full force and effect on and as of the date hereof and are the only resolutions that have been adopted by the Board of each Company with respect to the subject matter thereof.

(e) Each of the persons named on Exhibit D attached hereto are, on and as of the date hereof, duly elected, qualified and acting officers of each Company occupying the offices set forth opposite their respective names on Exhibit D, and the signatures set forth opposite their respective names are their true and genuine signatures, and each of such officers is duly authorized to execute and deliver on behalf of each Company each Credit Agreement and the other Loan Documents (as defined in the DIP ABL Credit Agreement) and the DIP Loan Documents (as defined in the DIP Term Loan Credit Agreement) and each of the related documents to which it is a party and any other agreement, instrument or document to be delivered by each Company pursuant to the Credit Agreements and the other Loan Documents (as defined in the DIP ABL Credit Agreement) and the DIP Loan Documents (as defined in the DIP Term Loan Credit Agreement) to which it is a party.

(f) Attached hereto as Exhibit E is a true, correct and complete copy of the certificate of good standing for each Company (the "Good Standing Certificates"), certified as of a recent date by the Secretary of State of the State of Delaware. No change

has occurred in the legal existence and good standing of any Company since the date of the applicable Good Standing Certificate.

****

IN WITNESS WHEREOF, the undersigned has caused this Certificate to be executed on behalf of each Company listed on Schedule 1 and Schedule 2 attached hereto as of the date first written above.

By: _____
Name: Michael J. Fabian
Title: Vice President

I, Eric D. Bommer, as President of each Company listed on Schedule 1 and Schedule 2 attached hereto, do hereby certify on behalf of each such Company that Michael J. Fabian is the duly elected, qualified and acting Vice President of each such Company and that the signature set forth above is the genuine signature of such person.

By:_____
Name: Eric D. Bommer
Title: President

Schedule 1

1. Dream II Holdings, LLC, a Delaware limited liability company

Schedule 2

1. Hollander Home Fashions Holdings, LLC, a Delaware limited liability company
2. Hollander Sleep Products Kentucky, LLC, a Delaware limited liability company
3. Hollander Sleep Products, LLC, a Delaware limited liability company (f/k/a Hollander Home Fashions, LLC)
4. Pacific Coast Feather Cushion, LLC, a Delaware limited liability company (f/k/a Pacific Coast Feather Company, a Washington corporation)
5. Pacific Coast Feather, LLC, a Delaware limited liability company (f/k/a Pacific Coast Feather Cushion Co., a Washington corporation)

EXHIBIT A

Formation Documents

EXHIBIT B

Operating Agreements

EXHIBIT C

Resolutions

OMNIBUS WRITTEN CONSENT IN LIEU OF MEETINGS OF THE BOARD OF DIRECTORS AND SOLE MEMBER

May [_], 2019

The undersigned, being the board of directors or the sole member, as applicable (each, a "Board"), of each entity listed on Schedule 1 through Schedule 6 attached hereto (each, a "Company" and collectively the "Companies"), in lieu of holding a meeting of each Board, hereby take the following actions and adopt the following resolutions by unanimous written consent, pursuant to Section 18-404(d) of the Delaware Limited Liability Company Act and Section 18-302(d) of the Delaware Limited Liability Company Act, as applicable for each Company:

APPROVAL OF THE DEBTOR-IN-POSSESSION TERM LOAN CREDIT AGREEMENT

RESOLVED, that the form, terms and provisions of the Debtor-in-Possession Term Loan Credit Agreement, together with all exhibits, schedules and annexes thereto (as may be amended, restated, supplemented or otherwise modified and in effect from time to time, the "DIP Term Loan Credit Agreement"; capitalized terms used but not otherwise defined herein shall have the meanings specified in the DIP Term Loan Credit Agreement and the DIP ABL Credit Agreement (as defined below), as applicable, as the context requires), by and among the lenders identified on the signature pages thereto, Barings Finance LLC, as administrative agent for each member of the Lender Group (as defined in the DIP Term Loan Credit Agreement) (in such capacity, together with its successors and assigns in such capacity, "DIP Term Loan Agent"), Dream II Holdings, LLC, a Delaware limited liability company ("Parent"), Hollander Home Fashions Holdings, LLC, a Delaware limited liability company ("HHFH" and together with Parent, the "Parent Guarantors") and Hollander Sleep Products, LLC, a Delaware limited liability company ("HSP" or "DIP Term Loan Borrower"), and the transactions contemplated by the DIP Term Loan Credit Agreement and the other DIP Loan Documents (including, without limitation, the borrowings and other extensions of credit thereunder), and the guaranties, liabilities, obligations, security interest granted and notes issued, if any, in connection therewith, be and hereby are authorized, adopted and approved; and

RESOLVED, that each Company's execution and delivery of, and its performance of its obligations in connection with the DIP Term Loan Credit Agreement and the other DIP Loan Documents, are hereby, in all respects, authorized and approved; and further resolved, that each of the Chief Executive Officer, the Chief Financial Officer, the President, any Vice President, any other officer of each Company and any officer of the sole member and/or any manager of each Company, as applicable (each an "Authorized Officer" and collectively, the "Authorized Officers") is hereby authorized and directed to negotiate the terms of and to execute, deliver and perform its obligations under the DIP Term Loan Credit Agreement, the other DIP Loan Documents and any and all other documents, certificates, instruments or

agreements required to consummate the transactions contemplated by the DIP Term Loan Credit Agreement and the other DIP Loan Documents in the name and on behalf of each Company, in the form approved, with such changes therein and modifications and amendments thereto as any of the Authorized Officers may in his or her sole discretion approve, which approval shall be conclusively evidenced by his or her execution thereof. Such execution by any of the Authorized Officers is hereby authorized to be by facsimile, engraved or printed as deemed necessary and preferable; and

APPROVAL OF THE DEBTOR-IN-POSSESSION ABL CREDIT AGREEMENT

RESOLVED, that the form, terms and provisions of the Debtor-in-Possession Credit Agreement, together with all exhibits, schedules and annexes thereto (collectively, as amended, restated, supplemented or otherwise modified and in effect from time to time, the "DIP ABL Credit Agreement" and, together with the DIP Term Loan Credit Agreement, the "Credit Agreements" and each, a "Credit Agreement"), by and among the lenders identified on the signature pages thereto, Wells Fargo Bank, National Association, as administrative agent for each member of the Lender Group (as defined in the DIP ABL Credit Agreement) and the Bank Product Providers (as defined in the DIP ABL Credit Agreement) (in such capacity, together with its successors and assigns in such capacity, "DIP ABL Agent"), Parent, HHFH, HSP, Hollander Sleep Products Kentucky, LLC, a Delaware limited liability company ("Hollander Kentucky"), Pacific Coast Feather Cushion, LLC, a Delaware limited liability company ("Cushion"), and Pacific Coast Feather, LLC, a Delaware limited liability company ("PCF"; HHFH, HSP, Hollander Kentucky, Cushion and PCF, are collectively, the "DIP ABL US Borrowers" and individually an "DIP ABL US Borrower"), and Hollander Sleep Products Canada Limited (formerly known as Hollander Canada Home Fashions Limited), a British Columbia corporation ("DIP ABL Canadian Borrower;" DIP ABL US Borrowers and DIP ABL Canadian Borrower are collectively, the "DIP ABL Borrowers" and individually a "DIP ABL Borrower"), and the transactions contemplated by the DIP ABL Credit Agreement and the other Loan Documents (as defined in the DIP ABL Credit Agreement), and the guaranties, liabilities, obligations, and notes issued, if any, in connection therewith, be and hereby are authorized, adopted and approved; and

RESOLVED, that each Company's execution and delivery of, and its performance of its obligations in connection with the DIP ABL Credit Agreement and the other Loan Documents, are hereby, in all respects, authorized and approved; and further resolved, that each of the Authorized Officers is hereby authorized and directed to negotiate the terms of and to execute, deliver and perform such Company's obligations under the DIP ABL Credit Agreement, the other Loan Documents and any and all other documents, certificates, instruments or agreements required to consummate the transactions contemplated by the DIP ABL Credit Agreement and such other Loan Documents in the name and on behalf of each Company, in the form approved, with such changes therein and modifications and amendments thereto as any of the Authorized Officers may in his or her sole discretion approve, which approval shall be conclusively evidenced by his or her execution thereof. Such execution by any of the Authorized Officers is hereby authorized to be by facsimile, engraved or printed as deemed necessary and preferable; and

APPROVAL OF THE LOAN DOCUMENTS AND THE DIP LOAN DOCUMENTS

RESOLVED, that (i) the form, terms and provisions of the Loan Documents (as defined in the DIP ABL Credit Agreement) and the DIP Loan Documents (as defined in the DIP Term Loan Credit Agreement) to which any or all of the Companies are a party, (ii) the incurrence of indebtedness and borrowing of funds under the Loan Documents (as defined in the DIP ABL Credit Agreement) and the DIP Loan Documents (as defined in the DIP Term Loan Credit Agreement) (iii) the guarantee of all Obligations (as defined in the DIP ABL Credit Agreement) pursuant to the Loan Documents (as defined in the DIP ABL Credit Agreement) and the DIP Facility Obligations (as defined in the DIP Term Loan Credit Agreement) and the DIP Facility Obligations (as defined in the DIP Term Loan Credit Agreement) pursuant to the DIP Loan Documents (as defined in the DIP Term Loan Credit Agreement) by the Guarantors (as defined in each of the Credit Agreements), and (iv) the grant of security interests in and pledges of all or substantially all of the real and personal property, assets and rights now or hereafter owned by any or all of the Companies as collateral (including pledges of equity and personal property as collateral) under the Loan Documents (as defined in the DIP ABL Credit Agreement and the DIP Loan Documents (as defined in the DIP Term Loan Credit Agreement), be and hereby are, authorized, adopted and approved; and

RESOLVED, that each Company's execution and delivery of, and performance of its obligations under, the Loan Documents (as defined in the DIP ABL Credit Agreement) and the DIP Loan Documents (as defined in the DIP Term Loan Credit Agreement) to which any or all of the Companies are a party, are hereby, in all respects, authorized and approved; and further resolved, that each of the Authorized Officers is hereby authorized and directed to negotiate the terms of and to execute, deliver and perform its obligations under the Loan Documents (as defined in the DIP ABL Credit Agreement) and the DIP Loan Documents (as defined in the DIP Term Loan Credit Agreement) to which any or all of the Companies are a party and any and all other documents, certificates, instruments or agreements required to consummate the transactions contemplated thereby in the name and on behalf of each Company, in the form approved, with such changes therein and modifications and amendments thereto as any of the Authorized Officers may in his/her sole discretion approve, which approval shall be conclusively evidenced by his/her execution thereof. Such execution by any of the Authorized Officers is hereby authorized to be by facsimile, engraved or printed as deemed necessary and preferable; and

GENERAL

RESOLVED, that in order to carry out fully the intent and effectuate the purposes of the foregoing resolutions, each of the Authorized Officers be, and hereby are, authorized and empowered to take all such further action including, without limitation, (i) to sell, transfer, lease, assign, set over, grant security interests in, mortgage or pledge any assets and properties of each Company, real personal, or mixed, tangible or intangible, now owned or hereafter acquired as such Authorized Officer determines necessary in connection with such financing and (ii) to arrange for, enter into or grant amendments and/or restatements (including, without limitation, amendments increasing or decreasing the amount of credit available under the Credit Agreements to the Companies acting as borrowers thereunder and/or extending the maturity of the same) and modifications to and waivers of the foregoing agreements (the

"Agreements"), and to arrange for and enter into supplemental agreements, instruments, certificates, financing statements and other documents relating to the transactions contemplated by the Agreements, and to execute, deliver and perform all such further amendments, modifications, waivers, supplemental agreements, instruments, certificates and documents as may be called for under or in connection with the Agreements, that may be determined by such Authorized Officer to be necessary or desirable, containing such terms and conditions and other provisions consistent with the Agreements, in the name and on behalf of each Company, and to pay all such fees and expenses, which shall in his or her judgment be deemed necessary, proper or advisable in order to perform each Company's obligations under or in connection with the Agreements and the transactions contemplated thereby; and

RESOLVED, that all actions taken by any of the Authorized Officers of each Company prior to the date of this written consent which are within the authority conferred hereby are hereby in all respects authorized, ratified, confirmed and approved.

The actions taken by this consent shall have the same force and effect as if taken at a meeting of each Board of each Company, pursuant to the limited liability company agreement or operating agreement, as applicable, of each Company and the laws of the State of Delaware. This consent may be executed in one or more facsimile, electronic or original counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.

* * * *

Schedule 1

2. Dream II Holdings, LLC, a Delaware limited liability company

Schedule 2

1. Hollander Home Fashions Holdings, LLC, a Delaware limited liability company

Schedule 3

1. Hollander Sleep Products Kentucky, LLC, a Delaware limited liability company

Schedule 4

1. Hollander Sleep Products, LLC, a Delaware limited liability company (f/k/a Hollander Home Fashions, LLC, a Delaware limited liability company)

Schedule 5

1. Pacific Coast Feather Cushion, LLC, a Delaware limited liability company (f/k/a Pacific Coast Feather Company, a Washington corporation)

Schedule 6

1. Pacific Coast Feather, LLC, a Delaware limited liability company (f/k/a Pacific Coast Feather Cushion Co., a Washington corporation)

IN WITNESS WHEREOF, the undersigned have executed this consent as of the date first set forth above.

Board of the Company set forth on Schedule 1:

Eric D. Bommer

Michael J. Fabian

Steve Cumbow

Chris Baker

Matthew Kahn

IN WITNESS WHEREOF, the undersigned has executed this consent as of the date first set forth above.

Sole Member of the Company set forth on Schedule 2:

Dream II Holdings, LLC, as Sole Member

By: _____
Name: Michael J. Fabian
Title: Vice President

IN WITNESS WHEREOF, the undersigned has executed this consent as of the date first set forth above.

Sole Member of the Company set forth on Schedule 3:

Hollander Sleep Products, LLC, as Sole Member

By: _____
Name: Michael J. Fabian
Title: Vice President

IN WITNESS WHEREOF, the undersigned has executed this consent as of the date first set forth above.

Sole Member of the Company set forth on Schedule 4:

Hollander Home Fashions Holdings, LLC, as Sole Member

By: _____
Name: Michael J. Fabian
Title: Vice President

IN WITNESS WHEREOF, the undersigned has executed this consent as of the date first set forth above.

Sole Member of the Company set forth on Schedule 5:

Pacific Coast Feather, LLC, as Sole Member

By: _____
Name: Michael J. Fabian
Title: Vice President

IN WITNESS WHEREOF, the undersigned has executed this consent as of the date first set forth above.

Sole Member of the Company set forth on Schedule 6:

Hollander Sleep Products, LLC, as Sole Member

By: _____
Name: Michael J. Fabian
Title: Vice President

EXHIBIT D

Incumbency

Incumbency to Schedule 1

Name	**Office**	**Signature**
Eric D. Bommer	President	_____
Michael J. Fabian	Vice President and Treasurer	_____
Steve Cumbow	Chief Financial Officer	_____
Chris Baker	Executive Chairman	_____
Marc L. Pfefferle	Chief Executive Officer	_____

Incumbency to Schedule 2

Name	**Office**	**Signature**
Eric D. Bommer	President	_____
Michael J. Fabian	Vice President and Assistant Secretary	_____
Marc L. Pfefferle	Chief Executive Officer	_____

EXHIBIT E

Good Standing Certificates

EXHIBIT 5.2(b)

FORM OF COMPLIANCE CERTIFICATE

[on Borrower's letterhead]

To: Barings Finance LLC, as Agent
300 South Tryon Street
Suite 2500
Charlotte NC 28202
Attn: Eric Langerman
Fax No. [_____]

Re: Compliance Certificate dated _____

Ladies and Gentlemen:

Reference is made to that certain **DEBTOR-IN-POSSESSION TERM LOAN CREDIT AGREEMENT** (the "Credit Agreement") dated as of May [ ], 2019, by and among the lenders identified on the signature pages thereof (such lenders, together with their respective successors and permitted assigns, are referred to hereinafter each individually as a "Lender" and collectively as the "Lenders"), **BARINGS FINANCE LLC**, as the arranger and administrative agent for the Lenders ("Agent"), **DREAM II HOLDINGS, LLC**, a Delaware limited liability company ("Parent"), **HOLLANDER HOME FASHIONS HOLDINGS, LLC**, a Delaware limited liability company (together with Parent the "Parent Guarantors"), and **HOLLANDER SLEEP PRODUCTS, LLC**, a Delaware limited liability company ("Borrower"). Capitalized terms used in this Compliance Certificate have the meanings set forth in the Credit Agreement unless specifically defined herein.

Pursuant to Schedule 5.1 of the Credit Agreement, the chief financial officer or other senior financial officer of Borrower hereby certifies, solely in his/her capacity as an officer of Borrower and not in his/her individual capacity, that:

a. The financial information of Parent and its Subsidiaries furnished in Schedule 1 attached hereto, has been prepared in accordance with GAAP (except, in the case of unaudited financial information, for year-end adjustments and the lack of footnotes), and fairly presents in all material respects the financial condition of Parent and its Subsidiaries as of the date hereof.

b. Such officer has reviewed the terms of the Credit Agreement and has made, or caused to be made under his/her supervision, a review in reasonable detail of the transactions and condition of Parent and its Subsidiaries during the accounting period covered by the financial statements delivered pursuant to paragraph 1 above.

c. Such review has not disclosed the existence on and as of the date hereof, and the undersigned does not have knowledge of the existence as of the date hereof, of any event or condition that constitutes a Default or Event of Default, except for such conditions or events listed on Schedule 2 attached hereto, specifying the nature and period of existence thereof and what action Parent and its Subsidiaries have taken, are taking, or propose to take with respect thereto.

[**signature page to follow**]

IN WITNESS WHEREOF, this Compliance Certificate is executed by the undersigned this_____day of_____,_____.

HOLLANDER SLEEP PRODUCTS, LLC, a Delaware limited liability company

By:_____
Name:_____
Title: _____

SCHEDULE 1

Financial Information

SCHEDULE 2

Default or Event of Default

EXHIBIT A-1

FORM OF ASSIGNMENT AND ACCEPTANCE AGREEMENT

This **ASSIGNMENT AND ACCEPTANCE AGREEMENT** ("Assignment Agreement") is entered into as of _____ between _____ ("Assignor") and _____ ("Assignee"). Reference is made to the Credit Agreement described in Annex I hereto (the "Credit Agreement"). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Credit Agreement.

1. In accordance with the terms and conditions of Section 13 of the Credit Agreement, the Assignor hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes from the Assignor, that interest in and to the Assignor's rights and obligations under the DIP Loan Documents as of the date hereof with respect to the DIP Facility Obligations owing to the Assignor, and Assignor's portion of the DIP Loan Commitments, all to the extent specified on Annex I.

2. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim and (ii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment Agreement and to consummate the transactions contemplated hereby; (b) makes no representation or warranty and assumes no responsibility with respect to (i) any statements, representations or warranties made in or in connection with the DIP Loan Documents, or (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the DIP Loan Documents or any other instrument or document furnished pursuant thereto; (c) makes no representation or warranty and assumes no responsibility with respect to the financial condition of Borrower or any Guarantor or the performance or observance by Borrower or any Guarantor of any of their respective obligations under the DIP Loan Documents or any other instrument or document furnished pursuant thereto, and (d) represents and warrants that the amount set forth as the Purchase Price on Annex I represents the amount owed by Borrower to Assignor with respect to Assignor's share of the DIP Loans assigned hereunder, as reflected on Assignor's books and records.

3. The Assignee (a) confirms that it has received copies of the Credit Agreement and the other DIP Loan Documents, together with copies of the financial statements referred to therein and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment Agreement; (b) agrees that it will, independently and without reliance upon Agent, Assignor, or any other Lender, based upon such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking any action under the DIP Loan Documents; (c) confirms that it is an Eligible Transferee; (d) appoints and authorizes Agent to take such action as agent on its behalf and to exercise such powers under the DIP Loan Documents as are delegated to Agent by the terms thereof, together with such powers as are reasonably incidental thereto; (e) agrees that it will perform in accordance with their terms all of the obligations which by the terms of the DIP Loan Documents are required to be performed by it as a Lender; and (f) attaches (i) the forms prescribed by the Internal Revenue Service of the United States certifying as to the Assignee's status for purposes of determining exemption from United States withholding taxes with respect to all payments to be made to the Assignee under the Credit Agreement, or (ii) such other documents as are necessary to indicate that all such payments are subject to such rates at a rate reduced by an applicable tax treaty.

4. Following the execution of this Assignment Agreement by the Assignor and Assignee, the Assignor will deliver this Assignment Agreement to Agent for recording by Agent. The

effective date of this Assignment (the "Settlement Date") shall be the latest to occur of (a) the date of the execution and delivery hereof by the Assignor and the Assignee, (b) the receipt by Agent for its sole and separate account a processing fee in the amount of $3,500 (if required by the Credit Agreement), (c) the receipt of any required consent of Agent or Borrower, if applicable, and (d) the date specified in Annex I.

5. As of the Settlement Date (a) the Assignee shall be a party to the Credit Agreement and, to the extent of the interest assigned pursuant to this Assignment Agreement, have the rights and obligations of a Lender thereunder and under the other DIP Loan Documents, and (b) the Assignor shall, to the extent of the interest assigned pursuant to this Assignment Agreement, relinquish its rights and be released from its obligations under the Credit Agreement and the other DIP Loan Documents, provided, however, that nothing contained herein shall release any assigning Lender from obligations that survive the termination of this Agreement, including such assigning Lender's obligations under Section 15 and Section 17.9(a) of the Credit Agreement.

6. Upon the Settlement Date, Assignee shall pay to Assignor the Purchase Price (as set forth in Annex I). From and after the Settlement Date, Agent shall make all payments that are due and payable to the holder of the interest assigned hereunder (including payments of principal, interest, fees and other amounts) to Assignor for amounts which have accrued up to but excluding the Settlement Date and to Assignee for amounts which have accrued from and after the Settlement Date. On the Settlement Date, Assignor shall pay to Assignee an amount equal to the portion of any interest, fee, or any other charge that was paid to Assignor prior to the Settlement Date on account of the interest assigned hereunder and that are due and payable to Assignee with respect thereto, to the extent that such interest, fee or other charge relates to the period of time from and after the Settlement Date.

7. This Assignment Agreement may be executed in counterparts and by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument. This Assignment Agreement may be executed and delivered by telecopier or other means of electronic transmission (including, without limitation, ".pdf" file) all with the same force and effect as if the same were a fully executed and delivered original manual counterpart.

8. THIS ASSIGNMENT AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

[**signature pages to follow**]

IN WITNESS WHEREOF, the parties hereto have caused this Assignment Agreement and Annex I hereto to be executed by their respective officers, as of the first date written above.

[**NAME OF ASSIGNOR**]
as Assignor

By_____
Name:
Title:

[**NAME OF ASSIGNEE**]
as Assignee

By_____
Name:
Title:

ACCEPTED THIS_____DAY OF
_____

BARINGS FINANCE LLC, as Agent

By_____
Name:
Title:

[HOLLANDER SLEEP PRODUCTS, LLC, a
Delaware limited liability company

By:_____
Name:_____
Title:][1] _____

[1] If required pursuant to the Terms of the Credit Agreement.

ANNEX FOR ASSIGNMENT AND ACCEPTANCE

ANNEX I

1. Borrower: Hollander Sleep Products, LLC, a Delaware limited liability company ("Borrower")

2. Name and Date of Credit Agreement:

Debtor-In-Possession Term Loan Credit Agreement, dated as of May [__], 2019, by and among Dream II Holdings, LLC, a Delaware limited liability company, Hollander Home Fashions Holdings, LLC, a Delaware limited liability company, Borrower, the lenders from time to time a party thereto, and Barings Finance LLC as the administrative agent for the Lenders

3. Date of Assignment Agreement: _____

4. Amounts:

(a) Assigned Amount of DIP Loans $_____

5. Settlement Date: _____

6. Purchase Price $_____

7. Notice and Payment Instructions, etc.

Assignee:	Assignor:
_____	_____
_____	_____
_____	_____

8. Agreed and Accepted:

[**ASSIGNOR**] **[ASSIGNEE]**

By: _____ By: _____
Title: _____ Title: _____

ACCEPTED THIS_____DAY OF
_____

BARINGS FINANCE LLC, as Agent

By_____
Name:
Title:

[HOLLANDER SLEEP PRODUCTS, LLC, a
Delaware limited liability company

By:_____
Name:_____
Title:][2] _____

[2] If required pursuant to the Terms of the Credit Agreement.

EXHIBIT I-1

FORM OF INITIAL APPROVED BUDGET

[To be provided.]

EXHIBIT I-2

FORM OF INTERIM DIP ORDER

[To be provided.]

EXHIBIT L-1

FORM OF LIBOR NOTICE

Barings Finance LLC, as Agent
300 South Tryon Street
Suite 2500
Charlotte NC 28202
Attn: Eric Langerman
Fax No. [_____]

Ladies and Gentlemen:

Reference is made to that certain **DEBTOR-IN-POSSESSION TERM LOAN CREDIT AGREEMENT** (the "Credit Agreement") dated as of May [ ], 2019, by and among the lenders identified on the signature pages thereof (such lenders, together with their respective successors and permitted assigns, are referred to hereinafter each individually as a "Lender" and collectively as the "Lenders"), **BARINGS FINANCE LLC**, as the arranger and administrative agent for the Lenders ("Agent"), **DREAM II HOLDINGS, LLC**, a Delaware limited liability company ("Parent"), **HOLLANDER HOME FASHIONS HOLDINGS, LLC**, a Delaware limited liability company (together with Parent the "Parent Guarantors"), and **HOLLANDER SLEEP PRODUCTS, LLC**, a Delaware limited liability company ("Borrower"). Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Credit Agreement.

This LIBOR Notice represents Borrowers' request to elect the LIBOR Option with respect to outstanding DIP Loans in the amount of $_____(the "DIP Loan")[**, and is a written confirmation of the telephonic notice of such election given to Agent**].

The LIBOR Rate Loan will have an Interest Period of [**1, 2, 3 or 6**] month(s) commencing on_____.

This LIBOR Notice further confirms Borrowers' acceptance, for purposes of determining the rate of interest based on the LIBOR Rate under the Credit Agreement, of the LIBOR Rate as determined pursuant to the Credit Agreement.

[**signature pages to follow**]

Dated: _____

BORROWER:

HOLLANDER SLEEP PRODUCTS, LLC, a Delaware limited liability company

By:_____
Name:_____
Title: _____

Acknowledged by:

BARINGS FINANCE LLC, as Agent

By_____
Name:_____
Title: _____

Schedule A-1

Agent's Account

Bank:

Bank:	U.S. Bank
ABA No:	091-000-022
Account Number:	[redacted]
Account Name:	Corporate Trust Agency Services
Reference:	Hollander

Schedule D-1

Initial DIP Loan Commitment	
Lender	**Commitment**
Allstate Insurance Company	[redacted]
Barings Finance LLC	[redacted]
GSO Capital Partners	[redacted]
First Eagle Investment Management	[redacted]
PennantPark Investment Corporation	[redacted]
Total	**$15,000,000.00**
Final DIP Loan Commitment	
Lender	**Commitment**
Allstate Insurance Company	[redacted]
Barings Finance LLC	[redacted]
GSO Capital Partners	[redacted]
First Eagle Investment Management	[redacted]
PennantPark Investment Corporation	[redacted]
Total	**$7,000,000.00**
Budget Advance Date Commitment	
Lender	**Commitment**
Allstate Insurance Company	[redacted]
Barings Finance LLC	[redacted]
GSO Capital Partners	[redacted]
First Eagle Investment Management	[redacted]
PennantPark Investment Corporation	[redacted]
Total	**$6,000,000.00**

Schedule P-1

Permitted Investments

None.

Schedule R-1

Real Property Collateral

Loan Party	Address	County	State
Pacific Coast Feather, LLC	220 Miriam Street Henderson, NC 27536	Vance	North Carolina

Schedule 1.1

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

"ABL DIP Agent" means Wells Fargo Bank, National Association, in its capacity as administrative agent under the ABL DIP Facility Documents, together with its successors and assigns.

"ABL DIP Facility" has the meaning specified therefor in the recitals.

"ABL DIP Facility Agreement" means the Debtor-in-Possession Credit Agreement, dated as of the date hereof, as amended, restated, amended and restated, supplemented or otherwise modified from time to time, among the Borrower, the other borrowers party thereto from time to time, the lenders and other financial institutions party thereto from time to time and the ABL DIP Agent.

"ABL DIP Facility Documents" means the "Loan Documents" as defined in the ABL DIP Facility Agreement, as the same may be amended, supplemented, waived, otherwise modified, extended, renewed, refinanced, or replaced from time to time.

"ABL DIP Lenders" means the lenders under the ABL DIP Facility Agreement.

"ABL DIP Obligations" means the "Obligations" as defined under the ABL DIP Facility Agreement.

"ABL Priority Collateral" means "ABL Priority Collateral" as defined in the Intercreditor Agreement.

"Acceleration" has the meaning specified therefor in Section 8.4 of the Agreement.

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

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

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

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

"Adequate Protection Liens" has the meaning specified therefor in the DIP Orders.

"Affected Lender" has the meaning specified therefor in Section 2.13(b) of the Agreement.

"Affiliate" means, as applied to any Person, any other Person who controls, is controlled by, or is under common control with, such Person. For purposes of this definition, "control" means the possession, directly or indirectly through one or more intermediaries, of the power to direct the management and policies of a Person, whether through the ownership of Equity Interests, by contract, or otherwise; provided, that, for purposes of Section 6.10 of the Agreement: (a) any Person which owns directly or indirectly 10% or more of the Equity Interests having ordinary voting power for the election of directors or other members of the governing body of a Person or 10% or more of the partnership or other ownership interests of a Person (other than as a limited partner of such Person) shall be deemed an Affiliate of such Person, (b) each director (or comparable manager) of a Person shall be deemed to be an Affiliate of such Person, and (c) each partnership in which a Person is a general partner shall be deemed an Affiliate of such Person.

"Affiliated Lender" means any Sponsor Affiliated Entity other than any natural person.

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

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

"Agent's Account" means the Deposit Account identified on Schedule A-1 as Agent's Account (or such other Deposit Account that has been designated as such, in writing, by Agent to Borrower and the Lenders).

"Agent's DIP Liens" means the DIP Liens granted by Parent or its Subsidiaries to Agent under the DIP Loan Documents and securing all or a portion of the DIP Facility Obligations.

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

"Allowed Professional Fees" has the meaning specified in Section 2.14(d) of the Agreement.

"Application Event" means the occurrence of (a) a failure by Borrower to repay all of the DIP Facility Obligations in full on the Maturity Date or the date of any acceleration of the DIP Facility Obligations, or (b) an Event of Default and the election by the Required Lenders to require that payments and proceeds of DIP Collateral be applied pursuant to Section 2.4(b)(ii) of the Agreement.

"Approved Budget" means the Initial Approved Budget as amended and supplemented by any Weekly Cash Flow Forecast delivered in accordance with Section 5.2(a) and approved by the Agent and the Required Lenders in accordance with Section 5.20.

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

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

"Available DIP Obligations" has the meaning specified therefor in Section 13.1(l) of the Agreement.

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

"Bail-In Legislation" means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

"Bankruptcy Code" has the meaning specified therefor in the recitals.

"Bankruptcy Court" has the meaning specified therefor in the recitals.

"Bankruptcy Rules" means the Federal Rules of Bankruptcy Procedure and local rules of the Bankruptcy Court, each as amended, and applicable to the Cases.

"Bar Date" has the meaning specified therefor in Section 8.9(m)(iii) of the Agreement.

"Base Rate" means a floating rate of interest per annum equal to the greatest of (a) the rate last quoted by The Wall Street Journal (or, if such rate is no longer quoted by The Wall Street Journal, another national publication selected by Agent) as the U.S. "Prime Rate," (b) the Federal Funds Rate plus ½%, and (c) the sum of (i) LIBOR for an Interest Period of one month (giving effect to the minimum LIBOR Rate of 1.00%) plus (ii) 1.00%.

"Base Rate Loan" means each portion of the DIP Loans that bears interest at a rate determined by reference to the Base Rate.

"Benefit Plan" means a "defined benefit plan" (as defined in Section 3(35) of ERISA) subject to Title IV of ERISA for which Parent or any of its Subsidiaries or ERISA Affiliates has been an "employer" (as defined in Section 3(5) of ERISA) within the past six years.

"Bidding Procedures" has the meaning specified therefor in Section 8.9(m)(ii) of the Agreement.

"Board of Directors" means, with respect to any Person, (a) in the case of any corporation, the board of directors of such Person or any committee thereof duly authorized to act on behalf of such board, (b) in the case of any limited liability company, the board of managers, board of directors, manager or managing member of such Person or the functional equivalent of the foregoing, (c) in the case of any partnership, the board of directors, board of managers, manager or managing member of a general partner of such Person or the functional equivalent of the foregoing and (d) in any other case, the functional equivalent of the foregoing.

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

"Borrower" has the meaning set forth in the preamble to the Agreement.

"Borrowing" means a borrowing consisting of DIP Loans made on the same day by the Lenders (or Agent on behalf thereof).

"Budget Advance Date" has the meaning specified therefor in Section 2.1(c) of this Agreement.

"Budget Advance Date Commitment" means on the Budget Advance Date, with respect to each Lender holding a Budget Advance Date Commitment, the commitment of such Lender to make a Budget Advance DIP Loan, which commitment is in the amount set forth opposite such Lender's name on Schedule D-1 under the caption "Budget Advance Date Commitment", as amended to reflect Assignments; provided that such commitment shown on such Schedule shall, with the written consent of the Agent (which consent shall not be unreasonably withheld, delayed or conditioned), be increased by any portion of the Final DIP Loan Commitment of such Lender not funded on the Final Order Effective Date. The aggregate amount of the Budget Advance Date Commitments on the Budget Advance Date shall be (a) $6,000,000 plus (b) to the extent approved by the Agent in accordance with the preceding sentence, the difference between $28,000,000 minus the aggregate funded amount of Interim DIP Loans and Final DIP Loans. It is understood and agreed that the Budget Advance Date Commitments are in addition to the Interim DIP Loan Commitments and the Final DIP Loan Commitments, and not a replacement or substitute therefor.

"Budget Advance Date DIP Loans" means the single draw term loans to be made on the Budget Advance Date in an aggregate amount not to exceed the Budget Advance Date Commitments.

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

"Canadian Benefit Plan" means any plan, fund, program, or policy, whether oral or written, formal or informal, funded or unfunded, insured or uninsured, providing material employee benefits, including medical, hospital care, dental, sickness, accident, disability, life insurance, pension, retirement or savings benefits, under which a Loan Party or a Subsidiary thereof has any liability with respect to any employee or former employee in Canada.

"Canadian Defined Benefit Plan" means any Canadian Pension Plan which contains a "defined benefit provision" as defined in subsection 147.1(1) of the Income Tax Act (Canada).

"Canadian Pension Plan" means each pension plan required to be registered under Canadian federal or provincial law that is maintained or contributed to, or to which there is or may be an obligation to contribute by a Loan Party or a Subsidiary thereof, for its employees or former employees, but does not include the Canada Pension Plan or the Quebec Pension Plan as maintained by the Government of Canada or the Province of Quebec, respectively.

"Canadian Pension Termination Event" means (a) the voluntary full or partial wind up of a Canadian Pension Plan by any Loan Party or Subsidiary thereof or initiation of any action or

filing to do so; (b) the institution of proceedings by any Governmental Authority to terminate in whole or in part or have a trustee appointed to administer any Canadian Pension Plan; or (c) any other event or condition which might constitute grounds for the termination of, winding up or partial termination of, winding up or the appointment of trustee to administer, any Canadian Pension Plan.

"Canadian Priority Payables" means (a) the amount past due and owing by any Canadian Subsidiary, or the accrued amount for which such Canadian Subsidiary has an obligation to remit, to a Governmental Authority or other Person pursuant to any applicable law, rule or regulation, in respect of (i) goods and services taxes, sales taxes, employee income taxes, municipal taxes and other taxes payable or to be remitted or withheld; (ii) workers' compensation or employment insurance; (iii) vacation or holiday pay; and (iv) other like charges and demands, in each case, to the extent that any Governmental Authority or other Person may claim a lien, security interest, hypothec, trust or other claim; and (b) the aggregate amount of any other liabilities of any Canadian Subsidiary (i) in respect of which a trust or deemed trust has been or may be imposed to provide for payment, or (ii) in respect of unpaid or unremitted pension plan contributions, including amounts representing any unfunded liability, solvency deficiency or wind-up deficiency whether or not due with respect to a Canadian Pension Plan, or (iii) which are secured by a lien, security interest, pledge, charge, right or claim; in each case, pursuant to any applicable law, rule or regulation (such as liens, trusts, security interests, hypothecs, pledges, charges, rights or claims in favor of employees, landlords, warehousemen, customs brokers, carriers, mechanics, materialmen, labourers, or suppliers, or liens, trusts, security interests, hypothecs, pledges, charges, rights or claims for ad valorem, excise, sales, or other taxes where given priority under applicable law).

"Canadian Subsidiary" means any Subsidiary organized under the laws of Canada or any province (or other political subdivision) thereof.

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

"Carve Out" has the meaning specified therefor in the DIP Orders.

"Carve Out Trigger Notice" has the meaning specified in Section 2.14(d) of the Agreement.

"Case Processionals" means any professional (other than an ordinary course professional) retained by the Borrower or the Committee pursuant to a final order of the Bankruptcy Court (which order has not been vacated or stayed, unless the stay has been vacated) under Sections 327, 328, 363 or 1103(a) of the Bankruptcy Code.

"Cash Equivalents" means (a) Domestic Cash Equivalents; and (b) Foreign Cash Equivalents.

"Cash Management Services" means any cash management or related services including treasury, depository, return items, overdraft, controlled disbursement, merchant store value cards, e-payables services, electronic funds transfer, interstate depository network, automatic clearing house transfer (including the Automated Clearing House processing of electronic funds transfers

through the direct Federal Reserve Fedline system) and other customary cash management arrangements.

"CFC" means a controlled foreign corporation (as that term is defined in the IRC).

"Change in Control" means the occurrence of any of the following events: (a) Sponsor Affiliated Entity ceases to beneficially own and control, directly or indirectly, more than 50.0% of the voting and economic Equity Interests in Parent on a fully diluted basis, (b) any Person or "group" (within the meaning of Rules 13d-3 and 13d-5 promulgated under the Exchange Act) other than Sponsor Affiliated Entity shall have acquired beneficial ownership on a fully diluted basis of the voting Equity Interests of Parent sufficient (whether or not exercised) to elect a majority of the members of the Board of Directors of Parent, (c) Sponsor Affiliated Entity ceases to have the power to elect or designate, directly or indirectly, a majority of the Board of Directors of Parent by voting power, contract or otherwise, (d) Parent ceases to beneficially own and control, directly, all of the Equity Interests in HHFH, or (e) HHFH ceases to beneficially own and control, directly, all of the Equity Interests in Borrower.

"Change in Law" means the occurrence after the date of the Agreement of: (a) the adoption or effectiveness of any law, rule, regulation, judicial ruling, judgment or treaty, (b) any change in any law, rule, regulation, judicial ruling, judgment or treaty or in the administration, interpretation, implementation or application by any Governmental Authority of any law, rule, regulation, guideline or treaty, or (c) the making or issuance by any Governmental Authority of any request, rule, guideline or directive, whether or not having the force of law; provided that notwithstanding anything in the Agreement to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives concerning capital adequacy promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities shall, in each case, be deemed to be a "Change in Law," regardless of the date enacted, adopted or issued.

"Chapter 11 Cases" has the meaning specified therefor in the recitals.

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

"Collateral Account Bank" means a bank consented to in writing by the Collateral Agent (such consent not to be unreasonably withheld or delayed) which shall not be Wells Fargo Bank, National Association or any Affiliate or subsidiary thereof; provided, that Wells Fargo Bank, National Association shall be the Collateral Account Bank until such time as the Borrower is able after the Effective Date to establish the TL Deposit Account at a different bank.

"Committee" means the official committee of unsecured creditors, if any, appointed in the Chapter 11 Cases.

"Commodity Exchange Act" has the meaning specified therefor in the Guaranty and Security Agreement.

"Compliance Certificate" has the meaning specified therefor in Section 5.2(b) of the Agreement.

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

"Confirmation Date" has the meaning specified therefor in Section 8.9(m)(x) of this Agreement.

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

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

"Copyright Security Agreement" has the meaning specified therefor in the Guaranty and Security Agreement.

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

"Default Notice" has the meaning specified therefor in Section 8.4 of the Agreement.

"Defaulting Lender" means any Lender that (a) has failed to fund any amounts required to be funded by it under the Agreement within two (2) Business Days of the date that it is required to do so under the Agreement, unless such Lender notifies Agent and Borrower in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, (b) notified Borrower, Agent, or any Lender in writing that it does not intend to comply with all or any portion of its funding obligations under the Agreement, (c) has made a public statement (which such public statement Borrower and Agent should reasonably be expected to have knowledge thereof) to the effect that it does not intend to comply with its funding obligations under the Agreement or under other agreements generally (as reasonably determined by Agent) under which it has committed to extend credit, (d) failed, within 1 Business Day after written request by Agent, to confirm that it will comply with the terms of the Agreement relating to its obligations to fund any amounts required to be funded by it under the Agreement, (e) otherwise failed to pay over to Agent or any other Lender any other amount required to be paid by it under the Agreement within two (2) Business Days of the date that it is required to do so under the Agreement, or (f) (i) becomes or is insolvent or has a parent company that has become or is insolvent, (ii) becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, or custodian or appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment or has a parent company that has become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, or custodian appointed for it, or has taken any action in furtherance

of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment (in each case other than by way of an Undisclosed Administration, for which purpose "Undisclosed Administration" shall mean in relation to a Lender, or its direct or indirect parent company, the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official by a supervisory authority or regulator under or based on the law in the country where such Lender or such parent company is subject to home jurisdiction supervision if applicable law requires that such appointment is not to be publicly disclosed) or (iii) becomes the subject of a Bail-in Action.

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

"DIP Collateral" means all the "DIP Collateral" (or equivalent term) as defined in the Guaranty and Security Agreement and assets and interests in assets and proceeds thereof now owned or hereafter acquired by any Loan Party in or upon which a DIP Lien is granted by such Person in favor of Agent or the Lenders under any of the DIP Loan Documents.

"DIP Facility Obligations" means all DIP Loans, debts, principal, interest (including any interest that accrues after the commencement of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any such Insolvency Proceeding), premiums, liabilities, obligations (including indemnification obligations) of any Loan Party, fees (including the fees provided for in the Fee Letter) of any Loan Party, Lender Group Expenses (including any fees or expenses that accrue after the commencement of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any such Insolvency Proceeding) of any Loan Party, guaranties of any Loan Party, and all covenants and duties of any other kind and description owing by any Loan Party arising out of, under, pursuant to, in connection with, or evidenced by the Agreement or any of the other DIP Loan Documents and irrespective of whether for the payment of money, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, and including all interest not paid when due and all other expenses or other amounts that any Loan Party is required to pay or reimburse by the DIP Loan Documents or by law or otherwise in connection with the DIP Loan Documents. Without limiting the generality of the foregoing, the DIP Facility Obligations under the DIP Loan Documents include the obligation to pay (i) the principal of the DIP Loans, (ii) interest accrued on the DIP Loans, (iii) Lender Group Expenses of any Loan Party, (iv) fees payable by any Loan Party under the Agreement or any of the other DIP Loan Documents, and (v) indemnities and other amounts payable by any Loan Party under any DIP Loan Document. Any reference in the Agreement or in the DIP Loan Documents to the DIP Facility Obligations shall include all or any portion thereof and any extensions, modifications, renewals, or alterations thereof, both prior and subsequent to any Insolvency Proceeding.

"DIP Liens" means the Liens granted to the Agent for the benefit of the Lenders under the DIP Loan Documents and authorized by the DIP Orders.

"DIP Loan Commitments" means the Interim DIP Loan Commitments, the Final DIP Loan Commitments, and the Budget Advance Date Commitments, each as set forth of Schedule D-1.

"DIP Loan Documents" means the Agreement, any promissory note issued pursuant to Section 2.5, the Fee Letter, the Guaranty and Security Agreement, the DIP Orders, each instrument and document executed and/or delivered as contemplated by Section 3, and any other document, instrument or agreement executed in connection with the DIP Facility, each as amended, supplemented, waived or otherwise modified from time to time.

"DIP Loans" means the Interim DIP Loans, the Final DIP Loans, and the Budget Advance Date DIP Loans.

"DIP Orders" means, collectively, the Interim DIP Order and Final DIP Order.

"DIP Superpriority Claim" has the meaning specified therefor in Section 2.14(b) of the Agreement.

"Disclosure Statement" has the meaning specified therefor in Section 8.9(m)(iv) of the Agreement.

"Disqualified Equity Interests" means any Equity Interests that, by their terms (or by the terms of any security or other Equity Interests into which they are convertible or for which they are exchangeable), or upon the happening of any event or condition (a) matures or are mandatorily redeemable (other than solely for Qualified Equity Interests), pursuant to a sinking fund obligation or otherwise (except as a result of a change of control or asset sale or other disposition or casualty event so long as any rights of the holders thereof upon the occurrence of a change of control or asset sale or other disposition or casualty event shall be subject to the prior repayment in full of the Loans and all other DIP Facility Obligations that are accrued and payable and the termination of the DIP Loan Commitments), (b) are redeemable at the option of the holder thereof (other than solely for Qualified Equity Interests), in whole or in part, (c) provide for the scheduled payments of dividends in cash, or (d) are or become convertible into or exchangeable for Indebtedness or any other Equity Interests that would constitute Disqualified Equity Interests, in each case, prior to the date that is 180 days after the Maturity Date (as determined on the date of the issuance thereof).

"Disqualified Lender" means (i) those Persons that are competitors of Parent and its Subsidiaries identified by name in writing to Agent from time to time, (ii) those banks, financial institutions, institutional lenders and other persons or entities that have been specified to Agent by Parent or the Sponsor prior to the date hereof, which list may be updated once per quarter absent the existence and continuance of an Event of Default; provided that (A) subject to clause (B) below, no Person that is a Lender on the Effective Date or has otherwise become a Lender hereunder in accordance with the assignment and participations provisions described in Section 13.1 of the Agreement, respectively, or any Affiliate of any such Person, may be added to the list of Disqualified Lenders after the Effective Date unless such list was updated to add such Person to the list prior to the time such Person became a Lender or Affiliate thereof, and (B) if (1) any Lender enters into a binding commitment to assign any DIP Loan or participate any portion of its interest therein (in each case in accordance with Section 13.1 of the Agreement) to a Person that such Lender has not been advised is a Disqualified Lender, (2) such assigning Lender has requested the consent of Borrower if such Lender is required to do so in the case of an assignment to such Person prior to entering into such binding commitment and (3) such

assigning or participating Lender has confirmed with Agent (based solely on Agent's review of the list of Disqualified Lenders then provided to Agent by Borrower) that such Person is not a Disqualified Lender prior to entering into such binding assignment or participation, then such assignee or participant, as applicable, shall not be a Disqualified Lender, and (iii) any Person that is an Affiliate of a Person referred to clauses (i) and (ii) above, in each case, if such Affiliate is clearly identifiable as such based on its name (excluding bona fide debt funds); provided that, during the existence and continuance of an (x) an Event of Default, there shall be deemed to be no Disqualified Lenders.

"Dollars" or "$" means United States dollars.

"Domestic Cash Equivalents" means (a) marketable direct obligations issued by, or unconditionally guaranteed by, the United States or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within 1 year from the date of acquisition thereof, (b) marketable direct obligations issued or fully guaranteed by any state of the United States or any political subdivision of any such state or any public instrumentality thereof maturing within 1 year from the date of acquisition thereof and, at the time of acquisition, having one of the two highest ratings obtainable from either Standard & Poor's Rating Group ("S&P") or Moody's Investors Service, Inc. ("Moody's"), (c) commercial paper maturing no more than 270 days from the date of creation thereof and, at the time of acquisition, having a rating of at least A-1 from S&P or at least P-1 from Moody's, (d) certificates of deposit, time deposits, overnight bank deposits or bankers' acceptances maturing within 1 year from the date of acquisition thereof issued by any bank organized under the laws of the United States or any state thereof or the District of Columbia or any United States branch of a foreign bank having at the date of acquisition thereof combined capital and surplus of not less than (x) $250,000,000 in the case of U.S. banks and (y) $1,000,000,000 (or the dollar equivalent thereof as of the date of determination in the case of any United States branch of a foreign bank), (e) Deposit Accounts maintained with (i) any bank that satisfies the criteria described in clause (d) above, or (ii) any other bank organized under the laws of the United States or any state thereof so long as the full amount maintained with any such other bank is insured by the Federal Deposit Insurance Corporation, (f) repurchase obligations of any commercial bank satisfying the requirements of clause (d) of this definition or recognized securities dealer having combined capital and surplus of not less than (x) $250,000,000 in the case of U.S. banks and (y) $1,000,000,000 (or dollar equivalent thereof as of the date of determination) in the case of any United States branch of a foreign bank, having a term of not more than seven days, with respect to securities satisfying the criteria in clauses (a) or (d) above, (g) debt securities with maturities of six months or less from the date of acquisition backed by standby letters of credit issued by any commercial bank satisfying the criteria described in clause (d) above, (h) Investments in money market funds substantially all of whose assets are invested in the types of assets described in clauses (a) through (g) above and (i) investment funds investing at least 90% of their assets in securities of the types described in clauses (a) through (h) above.

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established

in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Effective Date" means May ___, 2019.

"Effective Tax Rate" means the aggregate Federal, state and local Tax rate applicable to an individual resident in the city of New York (or such other jurisdiction having the highest aggregate Federal, state and local Tax rate applicable to any equity owner of Parent) subject to tax at the highest marginal rates provided for under the applicable Federal, state and local laws then in effect, taking into account the character of income and assuming full deductibility of state and local taxes.

"Election Notice" has the meaning specified therefor in Section 13.1(l) of the Agreement.

"Election Period" has the meaning specified therefor in Section 13.1(l) of the Agreement.

"Eligible Transferee" means (a) any Lender (other than a Defaulting Lender), any Affiliate of any Lender and any Related Fund of any Lender; (b) (i) a commercial bank organized under the laws of the United States or any state thereof, and having total assets in excess of $250,000,000; (ii) a savings and loan association or savings bank organized under the laws of the United States or any state thereof, and having total assets in excess of $250,000,000; or (iii) a commercial bank organized under the laws of any other country or a political subdivision thereof; provided that (A) (x) such bank is acting through a branch or agency located in the United States or (y) such bank is organized under the laws of a country that is a member of the Organization for Economic Cooperation and Development or a political subdivision of such country, and (B) such bank has total assets in excess of $250,000,000; (c) any other entity (other than a natural person) that is an "accredited investor" (as defined in Regulation D under the Securities Act) that extends credit or buys loans as one of its businesses including insurance companies, investment or mutual funds and lease financing companies, and having total assets in excess of $250,000,000; and (d) during the continuation of an Event of Default, any other Person approved by Agent; provided, that no Disqualified Lender shall qualify as an Eligible Transferee.

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

"Environmental Action" means any written complaint, demand, summons, citation, notice, directive, order, claim, litigation, judicial or administrative proceeding, judgment, letter,

or other written communication from any Governmental Authority or any third party involving liabilities under Environmental Laws, violations of Environmental Laws or releases of Hazardous Materials (a) from any assets, properties, or businesses of Parent, any Subsidiary of Parent, or any of their predecessors in interest, (b) from adjoining properties or businesses, or (c) from or onto any facilities which received Hazardous Materials generated by Parent, any Subsidiary of Parent, or any of their predecessors in interest.

"Environmental Law" means any applicable United States or foreign federal, state, provincial, territorial, municipal or local statute, law, rule having the force and effect of law, regulation, ordinance, code, binding and enforceable guideline, or rule of common law now or hereafter in effect and in each case as amended, or any binding and enforceable judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree or judgment, in each case, relating to the environment, Hazardous Materials affecting employee or worker health or safety, or Hazardous Materials, in each case as amended from time to time. Without limitation, Environmental Law includes the *Resource Conservation and Recovery Act* ("RCRA"), the *Comprehensive Environmental Response, Compensation and Liability Act* ("CERCLA"), the *Canadian Environmental Protection Act* (Canada), the *Fisheries Act* (Canada), the *Transportation of Dangerous Goods Act* (Canada) and the *Ontario Water Resources Act* (Ontario).

"Environmental Liabilities" means all liabilities, obligations (including monetary obligations), losses, damages, costs and expenses (including all reasonable fees, disbursements and expenses of counsel, experts, or consultants, and costs of investigation and feasibility studies), fines, penalties, sanctions, and interest incurred (i) as a result of or related to any Environmental Action or Remedial Action or (ii) under Environmental Law.

"Environmental Lien" means any Lien in favor of any Governmental Authority related to or arising out of Environmental Liabilities.

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

"Equity Documents" means, collectively, the (i) Amended and Restated Limited Liability Company Agreement of Parent, dated as of October 21, 2014, (ii) Securityholders Agreement, dated as of October 21, 2014, by and among Parent and other Persons party thereto, (iii) Registration Rights Agreement, dated as of October 21, 2014, by and among Parent and the other Persons party thereto, (iv) Contribution and Exchange Agreement, dated as of September 18, 2014, by and among Parent and the other Persons party thereto, (v) Subscription Agreements, dated as of October 21, 2014, by and among Parent and the other Persons party thereto, (vi) Securities Purchase Agreement, dated as of September 18, 2014, by and among HHFH, HHF Holdings, LLC, Hollander Home Fashions Corp., Jeffrey Hollander Irrevocable Exempt Trust dated October 29, 2012 and each of the other Persons party thereto, (vii) certificate of incorporation, bylaws, operating agreement or other organizational document of the Loan Parties and their Canadian Subsidiaries as of the Effective Date, and (viii) Management Services Agreement, in each case, as amended.

"Equity Interests" means, with respect to a Person, all of the shares, options, warrants, interests, participations, or other equivalents (regardless of how designated) of or in such Person,

whether voting or nonvoting, including capital stock (or other ownership or profit interests or units), preferred stock, or any other "equity security" (as such term is defined in Rule 3a11-1 of the General Rules and Regulations promulgated by the SEC under the Exchange Act).

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and any successor statute thereto.

"ERISA Affiliate" means (a) any Person subject to ERISA whose employees are treated as employed by the same employer as the employees of Parent or its Subsidiaries under IRC Section 414(b), (b) any trade or business subject to ERISA whose employees are treated as employed by the same employer as the employees of Parent or its Subsidiaries under IRC Section 414(c), (c) solely for purposes of Section 302 of ERISA and Section 412 of the IRC, any organization subject to ERISA that is a member of an affiliated service group of which Parent or any of its Subsidiaries is a member under IRC Section 414(m), or (d) solely for purposes of Section 302 of ERISA and Section 412 of the IRC, any Person subject to ERISA that is a party to an arrangement with Parent or any of its Subsidiaries and whose employees are aggregated with the employees of Parent or its Subsidiaries under IRC Section 414(o).

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

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

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

"Excluded Actions" has the meaning specified therefor in Section 5.12 of the Agreement.

"Excluded Collateral" has the meaning specified therefor in the Guaranty and Security Agreement.

"Excluded Subsidiary" means any Subsidiary of Parent (a) [reserved], (b) that is an Immaterial Subsidiary, (c) acquired after the Effective Date (i) that is prohibited from guaranteeing the DIP Facility Obligations by applicable law, rule or regulation or by any contractual obligation existing on the date such Subsidiary is acquired (so long as, in respect of any such contractual prohibition, such prohibition is not incurred in contemplation of such acquisition and with respect to any Subsidiary that has material assets, Borrower and the Subsidiary Guarantors shall have used commercially reasonable efforts (not involving expending money in excess of de minimis amounts) to remove such prohibition), or (ii) that would require governmental (including regulatory) consent, approval, license or authorization to provide a Guaranty, (d) that is a (i) Foreign Subsidiary of Parent that is a CFC, (ii) US Foreign Holdco, (iii) US Person that is a Subsidiary of a CFC, or (iv) Subsidiary the provision of a Guaranty by which would result in a material adverse tax consequence (as a result of the operation of Section 956 of the IRC) to Parent or one of its Subsidiaries (as reasonably determined by Parent in consultation with Agent), (e) any not-for-profit Subsidiaries, captive insurance companies or other special purpose Subsidiaries (so long as such special purpose Subsidiary is not created in contemplation of circumventing the guarantee obligations), and (f) any other Subsidiary if the costs to the Loan Parties of providing such guaranty are excessive (as determined by Agent in

consultation with Borrower) in relation to the benefits to Agent and the Lenders afforded thereby; provided, that notwithstanding the foregoing clauses (a) through (f), any Person that guarantees all or any portion of the US Obligations (as defined in the ABL DIP Facility Agreement as in effect on the date hereof) other than the Canadian Loan Parties (as defined in the ABL DIP Facility Agreement as in effect on the date hereof) shall not be an Excluded Subsidiary.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to, or required to be withheld or deducted from a payment to a Lender or Agent: (i) any Tax imposed on or measured by the net income or net profits (however denominated) of any Lender or Agent (including any branch profits taxes or franchise Taxes imposed in lieu thereof), in each case (A) imposed by the jurisdiction (or by any political subdivision or taxing authority thereof) in which such Lender or Agent is organized or the jurisdiction (or by any political subdivision or taxing authority thereof) in which such Lender's or Agent's principal office is located or (B) as a result of a present or former connection between such Lender or Agent and the jurisdiction or taxing authority imposing the Tax (other than any such connection arising from such Lender or Agent having executed, delivered, become a party to, performed its obligations under, received payment under, received or perfected a security interest under, enforced its rights or remedies under or engaged in any other transaction pursuant to the Agreement or any other DIP Loan Document or sold or assigned an interest in any DIP Loan or DIP Loan Document); (ii) United States federal Taxes that would not have been imposed but for a Lender's or Agent's failure to comply with the requirements of Section 16.2 of the Agreement, (iii) [intentionally omitted], (iv) any United States federal withholding Taxes that would be imposed on amounts payable to a Lender or Agent based upon the applicable law in effect at the time such Lender or Agent becomes a party to the Agreement (or designates a new lending office), except that Excluded Taxes shall not include any Tax amount that such Lender or Participant or Agent (or its assignor, if any) was previously entitled to receive pursuant to Section 16.1 of the Agreement, if any, with respect to such withholding Tax at the time of designation of a new lending office (or assignment); and (v) withholding Taxes imposed under FATCA.

"Extensions of Credit" means the advancing of DIP Loans under this Agreement on the Effective Date and the Final Order Effective Date, as applicable.

"Extraordinary Receipt" means any cash received by or paid to or for the account of any Person that is not contemplated in the Approved Budget and is not in the ordinary course of business (other than any such cash received or paid from Recovery Events), including tax refunds, pension plan reversions, indemnity payments and any purchase price adjustments; provided, however, that an Extraordinary Receipt shall not include indemnity payments to the extent that payments are received by any Person in respect of any third party claim against such Person and applied to pay (or to reimburse such Person for its prior payment of) such claim and the costs and expenses of such Person with respect thereto; provided, further, that Extraordinary Receipts shall not include items of ABL Priority Collateral or Proceeds of any assets of the categories in the definition of ABL Priority Collateral.

"FATCA" means Sections 1471 through 1474 of the IRC as of the date of this Agreement (or any amended or successor version to the extent such version is substantively comparable and not materially more onerous to comply with), any current or future regulations or official

interpretations thereof, and any intergovernmental agreements entered into pursuant to Section 1471(b)(1) of the IRC.

"Federal Funds Rate" means, for any period, a fluctuating interest rate per annum equal to, for each day during such period, the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System, 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 which is a Business Day, the average of the quotations for such day on such transactions received by Agent from three Federal funds brokers of recognized standing selected by it.

"Federal District Court" has the meaning specified therefor in Section 12.(b) of the Agreement.

"Fee Letter" means the fee letter, dated as of the Effective Date, between Borrower and the Lenders.

"Final DIP Loan Commitment" means on the Final Order Effective Date, with respect to each Lender holding a Final DIP Loan Commitment, the commitment of such Lender to make a Final DIP Loan, which commitment is in the amount set forth opposite such Lender's name on Schedule D-1 under the caption "Final DIP Loan Commitment", as amended to reflect Assignments; provided that such commitment shown on such Schedule shall, with the written consent of the Agent (which consent shall not be unreasonably withheld, delayed or conditioned), be increased by any portion of the Interim DIP Loan Commitment of such Lender not funded on the Effective Date. The aggregate amount of the Final DIP Loan Commitments on the Final Order Effective Date shall be the lesser of (a) $7,000,000.00 and (b) such amount as approved by the Bankruptcy Court for funding on the Final Order Effective Date pursuant to the Final DIP Order. It is understood and agreed that the Final DIP Loan Commitments are in addition to the Interim DIP Loan Commitments and not a replacement or substitute therefor.

"Final DIP Loans" means the single draw term loans to be made on the Final Order Effective Date in an aggregate amount not to exceed the Final DIP Loan Commitments.

"Final DIP Order" means the order of the Bankruptcy Court entered in the Chapter 11 Cases after notice and final hearing pursuant to the Bankruptcy Rules or such other procedures as approved by the Bankruptcy Court which, among other matters (but not by way of limitation), authorizes the Borrower to obtain credit and the Loan Parties to incur (or guaranty) the DIP Facility Obligations and grant DIP Liens under the DIP Loan Documents, as the case may be, and provides for the superpriority of the Agent's and the Lenders' claims, and authorizes the use of cash collateral, as the same shall be approved by, and may be modified or supplemented from time to time after the Final Order Effective Date with the written consent of, the Agent and Required Lenders in their sole and absolute discretion.

"Final Order Effective Date" means the date on which the conditions under Sections 3.2 and 3.3 are satisfied or waived as reasonably determined by the Agent and the Required Lenders.

"Financial Officer" of any Person means the chief financial officer, the treasurer, any assistant treasurer, any vice president of finance, the chief accountant or the controller of such

Person, the Financial Advisor or any officer with substantially equivalent responsibilities of any of the foregoing (which may be a Person employed by the Financial Advisor).

"Financial Advisor" means Carl Marks Advisory Group LLC.

"First Day Hearing" means the first day of the hearing scheduled on which entry of the Interim DIP Order shall be heard.

"Flow Through Entity" means an entity that (a) for federal income tax purposes constitutes (i) a "partnership" (within the meaning of Section 7701(a)(2) of the Code) other than a "publicly traded partnership" (as defined in Section 7704 of the Code), or (ii) any other business entity that is disregarded as an entity separate from its owners under the IRC, or any published administrative guidance of the Internal Revenue Service (each of the entities described in the preceding clauses (i) and (ii), a "Federal Flow Through Entity"), and (b) for state and local jurisdictions is subject to treatment on a basis under applicable state or local income tax law substantially similar to a Federal Flow Through Entity.

"Foreign Cash Equivalents" means, in the case of any Subsidiary (other than a Loan Party or other Subsidiary organized under the laws of the United States or a political subdivision thereof), investments denominated in the currency of the jurisdiction in which such Subsidiary is organized or in Dollars, in each case which are of substantially the same type as the items specified in the definition of Domestic Cash Equivalents.

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

"Foreign Asset Sale" means an sale or disposition of assets consummated by a Foreign Subsidiary.

"Foreign Subsidiary" means any Subsidiary that is not a U.S. Person.

"Funding Losses" has the meaning specified therefor in Section 2.12(b)(ii) of the Agreement.

"GAAP" means generally accepted accounting principles as in effect from time to time in the United States, consistently applied.

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

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

"Guarantors" means (a) the Parent Guarantors and (b) each Subsidiary that is a U.S. Person and that is not an Excluded Subsidiary; provided that, notwithstanding the foregoing, any Person that guarantees all or any portion of the US Obligations (as defined in the ABL DIP Facility Agreement as in effect on the date hereof) other than the Canadian Loan Parties (as defined in the ABL DIP Facility Agreement as in effect on the date hereof) shall be a Guarantor.

"Guarantee Obligation" means 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 such obligation of the guaranteeing person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (A) for the purchase or payment of any such primary obligation or (B) 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 the Borrower in good faith.

"Guaranty and Security Agreement" means that certain DIP Loan Guaranty and Security Agreement, dated as of the Effective Date, executed and delivered by each Loan Party to Agent.

"Hazardous Materials" means (a) substances that are regulated under Environmental Laws or are defined or listed in, or otherwise classified pursuant to, any Environmental Laws as "hazardous substances," "hazardous materials," "hazardous wastes," "toxic substances," or any other formulation intended to define, list, or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, reproductive toxicity, or "EP toxicity", (b) oil, petroleum, or petroleum derived substances, natural gas, natural gas liquids, synthetic gas, drilling fluids, produced waters, and other wastes associated with the exploration, development, or production of crude oil, natural gas, or geothermal resources, (c) any flammable substances or explosives or any radioactive materials, (d) asbestos in any form, and (e) electrical equipment that contains any oil or dielectric fluid containing levels of polychlorinated biphenyls in excess of 50 parts per million.

"Hedge Agreement" means a "swap agreement" as that term is defined in Section 101(53B)(A) of the Bankruptcy Code.

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

"Hollander China" means Hollander Home Fashions Trading (Shanghai) Co., Ltd, a company organized under the laws of China.

"Immaterial Subsidiary" means each Subsidiary set forth on Schedule 4.25 hereto, provided that:

(i) the Immaterial Subsidiaries, taken together, do not, in the aggregate (x) comprise more than the lesser of $1,000,000 and 1.00% of the total revenue of Parent and its Subsidiaries for the period of 12 months most recently ended on April 30, 2019 and (y) do not hold consolidated assets representing more than the lesser of $1,000,000 and 1.00% of the total consolidated assets of Parent and its Subsidiaries on the last day of the most recent 12 month period ended on April 30, 2019,

(ii) no Immaterial Subsidiary (x) comprises more than the lesser of $1,000,000 and 1.00% of the total revenue of Parent and its Subsidiaries for the period of 12 months most recently ended on April 30, 2019 or (y) holds consolidated assets representing more than the lesser of $1,000,000 and 1.00% of the total consolidated assets of Parent and its Subsidiaries on the last day of the most recent 12 month period ended on April 30, 2019, and

(iii) if, at any time, the limits set forth in clauses (i) and (ii) are not satisfied as at or for the 12 month period ended on the most recently ended fiscal month for which financial statements have been delivered or required to be delivered to Agent hereunder on or prior to such date, Parent shall promptly (and in any event within 5 Business Days from the date such financial statements have been delivered or required to be delivered hereunder) re-designate one or more Immaterial Subsidiaries as no longer an Immaterial Subsidiary as may be necessary such that the foregoing limits shall be satisfied, and any such Subsidiary shall thereafter be deemed to no longer be an Immaterial Subsidiary hereunder.

"Indebtedness" as to any Person means (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes, or other similar instruments and all reimbursement or other obligations in respect of letters of credit, bankers acceptances, or other financial products, (c) all obligations of such Person as a lessee under Capital Leases, (d) all obligations or liabilities of others secured by a Lien on any asset of such Person, irrespective of whether such obligation or liability is assumed, (e) all obligations of such Person to pay the deferred purchase price of assets and any earn-out or similar obligations (to the extent included, or required to be included, as a liability on the balance sheet of such Person at such time) (other than (i) trade payables incurred in the ordinary course of business and repayable in accordance with customary trade practices, (ii) royalty payments payable in the ordinary course of business in respect of non-exclusive licenses, (iii) working capital and other similar purchase price adjustments), (iv) any earn-out obligation that is not yet due and payable unless such obligation is not paid promptly after becoming due and payable, (v) customary cash pooling and cash management practices and other intercompany indebtedness having a term not

exceeding 364 days (inclusive of any roll-over or extensions of terms) incurred in the ordinary course of business, (vi) accruals for payroll or other employee compensation and other liabilities incurred in the ordinary course of business and (vii) any accrued or deferred management fees, including pursuant to the Management Services Agreement, (f) all monetary obligations of such Person owing under Hedge Agreements (which amount shall be calculated based on the amount that would be payable by such Person if the Hedge Agreement were terminated on the date of determination), (g) the liquidation value of any Disqualified Equity Interests of such Person, and (h) any obligation of such Person guaranteeing or intended to guarantee (whether directly or indirectly guaranteed, endorsed, co-made, discounted, or sold with recourse) any obligation of any other Person that constitutes Indebtedness under any of clauses (a) through (g) above. For purposes of this definition, (i) the amount of any Indebtedness represented by a guaranty or other similar instrument shall be the lesser of the principal amount of the obligations guaranteed and still outstanding and the maximum amount for which the guaranteeing Person may be liable pursuant to the terms of the instrument embodying such Indebtedness, and (ii) the amount of any Indebtedness which is limited or is non-recourse to a Person or for which recourse is limited to an identified asset shall be valued at the lesser of (A) if applicable, the limited amount of such obligations, and (B) if applicable, the fair market value of such assets securing such obligation.

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

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

"Indemnified Taxes" means (a) any Taxes imposed on or with respect to a payment under or on account of any Loan Document, other than Excluded Taxes and (b) to the extent not described in (a), Other Taxes.

"Initial Approved Budget: means the 17-week operating budget (or such shorter, or longer, period, as applicable, to coincide with the Life of the Case) setting forth, on a consolidated basis with respect to the Loan Parties and their respective Subsidiaries, all forecasted consolidated cash receipts, consolidated cash disbursements and consolidated net cash flow on a weekly basis for the relevant period beginning as of the week of the Petition Date, broken down by week, including the anticipated weekly uses of the proceeds of the DIP Facility for such period, which shall include, among other things, available cash, cash flow, trade payables and ordinary course expenses, total expenses and capital expenditures, fees and expenses relating to the DIP Facility, fees and expenses related to the Chapter 11 Cases, and working capital and other general corporate needs, which forecast shall be in form and substance reasonably satisfactory to the Agent at the direction of the Required Lenders. Such Initial Approved Budget shall be in the form set forth in Exhibit I-1 hereto. For all purposes hereunder, the Initial Approved Budget shall constitute an "Approved Budget".

"Initial DIP Loans" means the DIP Loans made on the Effective Date.

"Insolvency Proceeding" means any proceeding commenced by or against any Person under any provision of the Bankruptcy Code or under any other provincial, state or federal bankruptcy or insolvency law, each as now and hereafter in effect, any successors to such

statutes, and any similar laws in any jurisdiction including, without limitation, any laws relating to assignments for the benefit of creditors, formal or informal moratoria, compositions, extensions generally with creditors, or proceedings seeking reorganization, arrangement, or other similar relief and any law permitting a debtor to obtain a stay or a compromise of the claims of its creditors.

"Intellectual Property" has the meaning specified therefor in Section 4.26 of the Agreement.

"Intercompany Subordination Agreement" means an Intercompany Subordination Agreement, in form and substance satisfactory to Agent in its sole discretion, to be executed and delivered by Parent and each of its Subsidiaries and Agent, in accordance with this Agreement.

"Intercreditor Agreement" means the Amended and Restated Intercreditor Agreement, dated as of the date hereof, between Agent and ABL DIP Agent.

"Interest Period" means, with respect to each LIBOR Rate Loan, a period commencing on the date of the making of such LIBOR Rate Loan (or the continuation of a LIBOR Rate Loan or the conversion of a Base Rate Loan to a LIBOR Rate Loan) and ending 1, 2, 3, or 6 months thereafter; provided, that (a) interest shall accrue at the applicable rate based upon the LIBOR Rate from and including the first day of each Interest Period to, but excluding, the day on which any Interest Period expires, (b) any Interest Period that would end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day, (c) with respect to an 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), the Interest Period shall end on the last Business Day of the calendar month that is 1, 2, 3 or 6 months after the date on which the Interest Period began, as applicable, and (d) Borrower may not elect an Interest Period which will end after the Maturity Date.

"Interim DIP Loan Commitment" means on the Effective Date, with respect to each Lender holding an Interim DIP Loan Commitment, the commitment of such Lender to make an Interim DIP Loan, which commitment is in the amount set forth opposite such Lender's name on Schedule D-1 under the caption "Interim DIP Loan Commitment", as amended to reflect Assignments. The aggregate amount of the Interim DIP Loan Commitments on the Effective Date shall be the lesser of (a) $15,000,000.00 and (b) such amount as approved by the Bankruptcy Court pursuant to the Interim DIP Order.

"Interim DIP Loans" means the single draw term loans to be made on the Effective Date but prior to the Final Order Effective Date, in an aggregate amount not to exceed the Interim DIP Loan Commitments.

"Interim DIP Order" means the order of the Bankruptcy Court substantially in the form of Exhibit I-2 (except as may otherwise be agreed in writing or on the record by the Agent and the Required Lenders at the interim hearing with respect to such order in the Chapter 11 Cases) entered in the Chapter 11 Cases after an interim hearing pursuant to the Bankruptcy Rules,

which, among other matters (but not by way of limitation), authorizes, on an interim basis, the Borrower to obtain credit and the Loan Parties to incur (or guaranty) the DIP Facility Obligations and grant DIP Liens under the DIP Loan Documents, as the case may be, and provides for the superpriority of the Agent's and the Lenders' claims, and authorizes the use of cash collateral, as the same shall be approved by, and may be modified or supplemented from time to time after the Interim Order Effective Date but before the Final Order Effective Date, with the written consent of the Agent and Required Lenders in their sole and absolute discretion.

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

"Investment" means, with respect to any Person, any investment by such Person in any other Person (including Affiliates) in the form of loans, guarantees, advances, capital contributions (excluding (a) commission, travel, and similar advances to officers and employees of such Person made in the ordinary course of business, and (b) *bona fide* accounts receivable arising in the ordinary course of business), or acquisitions of Indebtedness, Equity Interests, or all or substantially all of the assets of such other Person (or of any division or business line of such other Person), and any other items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP. The amount of any Investment shall be the original cost of such Investment plus the cost of all additions thereto, without any adjustment for increases or decreases in value, or write-ups, write-downs, or write-offs with respect to such Investment.

"IRC" means the Internal Revenue Code of 1986, as amended, and any successor statutes, and all regulations and guidance promulgated thereunder. Any reference to a specific section of the IRC shall be deemed to be a reference to such section of the IRC and any successor statutes, and all regulations promulgated thereunder.

"Lender" has the meaning set forth in the preamble to the Agreement and shall also include any other Person made a party to the Agreement pursuant to the provisions of Section 13.1 of the Agreement and "Lenders" means each of the Lenders or any one or more of them.

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

"Lender Group Expenses" means, without duplication, all (a) reasonable and documented or invoiced costs or expenses (including taxes and insurance premiums) required to be paid by Parent or its Subsidiaries under any of the DIP Loan Documents that are paid, advanced, or incurred by the Agent, (b) reasonable and documented out-of-pocket fees or charges paid or incurred by Agent in connection with the Lender Group's transactions with Parent and its Subsidiaries under any of the DIP Loan Documents, including, photocopying, notarization, couriers and messengers, telecommunication, public record searches, filing fees, recording fees, publication, real estate surveys, real estate title policies and endorsements, and environmental audits, (c) Agent's customary fees and charges imposed or incurred in connection with any background checks or OFAC/PEP searches related to Parent or its Subsidiaries, (d) Agent's customary fees and charges (as adjusted from time to time) with respect to the disbursement of funds (or the receipt of funds) to or for the account of Borrower (whether by wire transfer or otherwise), together with any documented or invoiced out-of-pocket costs and expenses incurred in connection therewith, (e) customary charges imposed or incurred by Agent resulting from the

dishonor of checks payable by or to any Loan Party, (f) reasonable documented out-of-pocket costs and expenses paid or incurred by the Lender Group to correct any default or enforce any provision of the DIP Loan Documents, or during the continuance of an Event of Default, in gaining possession of, maintaining, handling, preserving, storing, shipping, selling, preparing for sale, or advertising to sell the DIP Collateral, or any portion thereof, irrespective of whether a sale is consummated (which, in the case of attorneys' fees, shall be limited to reasonable documented out-of-pocket attorneys' fees of one primary outside counsel to the Lender Group, which shall be King & Spalding LLP, and to the extent applicable, one local (including foreign) counsel in each relevant jurisdiction, and specialty counsel, regulatory counsel and, in the event of an actual or perceived conflict, counsel to avoid conflicts of interest as are required or advisable and in any case, shall not be duplicative of attorneys' fees pursuant to clause (i) below), (g) [intentionally omitted], (h) Agent's reasonable and documented costs and out-of-pocket expenses (including reasonable documented attorneys' fees and expenses of one outside counsel, except that such limitation shall not apply to the extent local (including foreign) counsel, specialty counsel, regulatory counsel or counsel to avoid conflicts of interest are required or advisable) relative to third party claims or any other lawsuit or adverse proceeding paid or incurred, whether in enforcing or defending the DIP Loan Documents or otherwise in connection with the transactions contemplated by the DIP Loan Documents, Agent's DIP Liens in and to the DIP Collateral, or the Lender Group's relationship with Parent or any of its Subsidiaries, (i) Agent's reasonable documented out-of-pocket costs and expenses, including due diligence expenses (which, in the case of attorneys' fees, shall be limited to reasonable documented out-of-pocket attorneys' fees of one primary outside counsel for Agent, and to the extent applicable, one local (including foreign) counsel in each relevant jurisdiction, and specialty counsel, regulatory counsel and counsel to avoid conflicts of interest as are required or advisable and in any case, shall not be duplicative of attorneys' fees pursuant to clause (f) above) incurred in advising, structuring, drafting, reviewing, administering (including travel, meals, and lodging), or amending, waiving, or modifying the DIP Loan Documents and in connection with the Chapter 11 Cases and the Recognition Proceedings, and (j) Agent's and each Lender's reasonable documented costs and expenses (including reasonable documented attorneys, accountants, consultants, and other advisors fees and expenses) incurred in terminating, enforcing (including attorneys, accountants, consultants, and other advisors fees and expenses incurred in connection with a response to a third-party subpoena or investigation, a "workout," a "restructuring," or an Insolvency Proceeding concerning Parent or any of its Subsidiaries or in exercising rights or remedies under the DIP Loan Documents), or defending the DIP Loan Documents, irrespective of whether a lawsuit or other adverse proceeding is brought, or in taking any enforcement action or any Remedial Action with respect to the DIP Collateral, which, in the case of attorneys' fees, shall be limited to reasonable documented out-of-pocket attorneys' fees of one primary outside counsel for each of the Agent and Lenders, and to the extent applicable, one local (including foreign) counsel in each relevant jurisdiction, and specialty counsel, regulatory counsel and counsel to avoid conflicts of interest as are required or advisable and in any case, shall not be duplicative of attorneys' fees pursuant to clauses (f) and (g) above).

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

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

"LIBOR Deadline" has the meaning specified therefor in Section 2.12(b)(i) of the Agreement.

"LIBOR Notice" means a written notice in the form of Exhibit L-1 to the Agreement.

"LIBOR Option" has the meaning specified therefor in Section 2.12(a) of the Agreement.

"LIBOR Rate" means the rate *per annum* (rounded upwards to the nearest 1/100th of 1.0%), for each Interest Period, equal to the greater of (i) the rate administered by ICE Benchmark Administration Limited at which US dollar deposits are offered by leading banks in the London interbank deposit market on the first day of each month for the relevant Interest Period and that appears on the Reuters Screen LIBOR01 Page as displayed in the Bloomberg Financial Markets System at 11:00 a.m. London time (or, if not so appearing, as published in the "Money Rates" section of The Wall Street Journal or another national publication selected by the Collateral Agent) two Business Days prior to the first day of such Interest Period, and (ii) one percent (1.00%) *per annum*; provided that the determination of the LIBOR Rate shall be made by Agent and shall be conclusive in the absence of manifest error.

"LIBOR Rate Loan" means each portion of the DIP Loans that bears interest at a rate determined by reference to the LIBOR Rate.

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

"Life of the Case" means the period beginning on the Petition Date and lasting through (and including) the Plan Effective Date of the Proposed Plan.

"Loan Parties" means Borrower and Guarantors.

"Management Services Agreement" means that certain Amended and Restated Management Services Agreement, dated as of June 9, 2017, by and between Sponsor and Parent, as the same may be further amended in accordance with the terms hereof.

"Margin Stock" has the meaning specified therefor in Regulation U of the Board of Governors as in effect from time to time.

"Material Adverse Effect" means any event, circumstance or condition that has had or would reasonably be expected to have a material and adverse effect on (a) the business or financial condition of the Loan Parties and their Subsidiaries, taken as a whole, (b) the ability of Loan Parties, taken as a whole, to perform their payment obligations under the DIP Loan Documents, or (c) the rights and remedies of Agent and the Lenders under the DIP Loan Documents, taken as a whole, in each case, except for the events leading up to the Chapter 11 Cases, the commencement of the Chapter 11 Cases and the events that customarily and reasonably result from the commencement of the Chapter 11 Cases.

"Maturity Date" means the earliest to occur of (a) the date that is one hundred fifty (150) days after the Petition Date, (b) the date that any sale of all or substantially all of the assets of the Loan Parties pursuant to Section 363 of the Bankruptcy Code is consummated, (c) if the Final DIP Order has not been entered, the date that is forty (40) days after the date of the First Day Hearing; (d) the Plan Effective Date of a Proposed Plan; and (e) the date of any acceleration of the DIP Loans hereunder or the termination of the DIP Loan Commitments hereunder.

"Milestones" has the meaning specified therefor in Section 8.9(m) of the Agreement.

"MNPI" means any material Nonpublic Information regarding Parent and its Subsidiaries or the DIP Loans or securities of any of them that has not been disclosed to the Lenders generally (other than Lenders who elect not to receive such information). For purposes of this definition "material Nonpublic Information" shall mean nonpublic information with respect to the business of Parent, Borrower or any of their Subsidiaries that would reasonably be expected to be material to a decision by any Lender to assign or acquire any DIP Loans or to enter into any of the transactions contemplated thereby or would otherwise be material for purposes of United States Federal and state securities laws.

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

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

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

"Net Cash Proceeds" means:

(a) with respect to any sale or disposition by Parent or any of its Subsidiaries of assets, the amount of cash proceeds received (directly or indirectly) from time to time (whether as initial consideration or through the payment of deferred consideration) by or on behalf of Parent or such Subsidiary, in connection therewith after deducting therefrom only (i) the amount of any Indebtedness secured by any Permitted Lien on any asset (other than (A) Indebtedness owing to Agent or any Lender under the Agreement or the other DIP Loan Documents and (B) Indebtedness assumed by the purchaser of such asset) which (subject to the Intercreditor Agreement and the DIP Orders) is required to be, and is, repaid in connection with such sale or disposition, (ii) reasonable fees, commissions, and expenses related thereto and required to be paid by Parent or such Subsidiary in connection with such sale or disposition, excluding amounts payable to a Loan Party or Affiliate thereof, (iii) taxes paid or payable to any taxing authorities by Parent or such Subsidiary in connection with such sale or disposition, in each case to the extent, but only to the extent, that the amounts so deducted are actually paid or anticipated to be payable, and are properly attributable to such transaction, and (iv) all amounts that are set aside as a reserve (A) for adjustments in respect of the purchase price of such assets, (B) for any liabilities associated with such sale or casualty, to the extent such reserve is required by GAAP,

and (C) for the payment of unassumed liabilities relating to the assets sold or otherwise disposed of at the time of, or within 90 days after, the date of such sale or other disposition, to the extent that in each case the funds described above in this clause (iv) are (x) deposited into escrow with a third party escrow agent or set aside in a separate Deposit Account that is subject to a Control Agreement in favor of Agent and (y) paid to Agent as a prepayment of the applicable DIP Facility Obligations in accordance with Section 2.4(e) of the Agreement at such time when such amounts are no longer required to be set aside as such a reserve.

"New York Courts" has the meaning specified therefor in Section 12.(b) of the Agreement.

"New York Supreme Court" has the meaning specified therefor in Section 12.(b) of the Agreement.

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

"Non-Defaulting Lender" means each Lender other than a Defaulting Lender.

"Notice of Intent to Assign" has the meaning specified therefor in Section 13.1(l) of the Agreement.

"Notification Event" means (a) the occurrence of a "reportable event" described in Section 4043(c) of ERISA with respect to a Pension Plan for which the 30-day notice requirement has not been waived by applicable regulations issued by the PBGC, (b) the withdrawal of any Loan Party or ERISA Affiliate from a Pension Plan during a plan year in which it was a "substantial employer" as defined in Section 4001(a)(2) of ERISA, (c) the termination of a Pension Plan, the filing of a notice of intent to terminate a Pension Plan or the treatment of a Pension Plan amendment as a termination, under Section 4041 of ERISA, if the plan assets are not sufficient to pay all plan liabilities, (d) the institution of proceedings to terminate, or the appointment of a trustee with respect to, any Pension Plan by the PBGC or any Pension Plan or Multiemployer Plan administrator, (e) any other event or condition that would constitute grounds under Section 4042(a) of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan, (f) the imposition of a Lien pursuant to the IRC or ERISA in connection with any Employee Benefit Plan or the existence of any facts or circumstances that could reasonably be expected to result in the imposition of a Lien, (g) the partial or complete withdrawal of any Loan Party or ERISA Affiliate from a Multiemployer Plan (other than any withdrawal that would not constitute an Event of Default under Section 8.11), (h) any event or condition that results in the insolvency of a Multiemployer Plan under Section 4245 of ERISA, (i) any event or condition that results in the termination of a Multiemployer Plan under Section 4041A of ERISA or the institution by the PBGC of proceedings to terminate or to appoint a trustee to administer a Multiemployer Plan under ERISA, (j) any Pension Plan being in "at risk status" within the meaning of IRC Section 430(i), (k) any Multiemployer Plan being in "endangered status" or "critical status" within the meaning of IRC Section 432(b) or the determination that any Multiemployer Plan is or is expected to be insolvent within the meaning of Title IV of ERISA, (l) with respect to any Pension Plan, any Loan Party or ERISA Affiliate incurring a substantial cessation of operations within the meaning of ERISA Section 4062(e),

(m) an "accumulated funding deficiency" within the meaning of the IRC or ERISA (including Section 412 of the IRC or Section 302 of ERISA) or the failure of any Pension Plan or Multiemployer Plan to meet the minimum funding standards within the meaning of the IRC or ERISA (including Section 412 of the IRC or Section 302 of ERISA), in each case, whether or not waived, (n) the filing of an application for a waiver of the minimum funding standards within the meaning of the IRC or ERISA (including Section 412 of the IRC or Section 302 of ERISA) with respect to any Pension Plan or Multiemployer Plan, (o) the failure to make by its due date a required payment or contribution with respect to any Pension Plan or Multiemployer Plan, or (p) any event that results in or could reasonably be expected to result in a liability by a Loan Party pursuant to Title I of ERISA or the excise tax provisions of the IRC relating to Employee Benefit Plans or any event that results in or could reasonably be expected to result in a liability to any Loan Party or ERISA Affiliate pursuant to Title IV of ERISA or Section 401(a)(29) of the IRC.

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

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

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

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

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

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

"Participant Register" has the meaning set forth in Section 13.1(i) of the Agreement.

"Patent Security Agreement" has the meaning specified therefor in the Guaranty and Security Agreement.

"Patriot Act" has the meaning specified therefor in Section 4.13 of the Agreement.

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

"Pending Assignment Notice" has the meaning specified therefor in Section 13.1(l) of the Agreement.

"Pension Plan" means any Employee Benefit Plan, other than a Multiemployer Plan, which is subject to the provisions of Title IV or Section 302 of ERISA or Sections 412 or 430 of the Code sponsored, maintained, or contributed to by any Loan Party or which any Loan Party has any liability (including on behalf of an ERISA Affiliate), excluding any Canadian Pension Plan.

"Permitted Dispositions" means:

(a) sales, abandonment, or other dispositions of Equipment that is substantially worn, damaged, or obsolete or no longer used or useful in the ordinary course of business and leases or subleases (or the termination or abandonment thereof) of Real Property not useful in any material respect in the conduct of the business of Parent and its Subsidiaries,

(b) sales of ABL Priority Collateral permitted under the ABL DIP Facility Documents and in accordance with the Intercreditor Agreement,

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

(d) the licensing or sub-licensing of Intellectual Property rights in the ordinary course of business,

(e) the granting of Permitted Liens,

(f) the sale or discount, in each case without recourse, of accounts receivable arising in the ordinary course of business, but only in connection with the compromise or collection thereof,

(g) any involuntary loss, damage or destruction of property,

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

(i) the leasing or subleasing of assets of Parent or its Subsidiaries in the ordinary course of business,

(j) the making of Restricted Payments that are expressly permitted to be made pursuant to the Agreement,

(k) the making of Permitted Investments that are expressly permitted to be made pursuant to the Agreement,

(l) the expiration, abandonment or lapse of patents, trademarks, copyrights, domain names or other intellectual property of Parent and its Subsidiaries (i) to the extent immaterial or not economically desirable in the conduct of their business (ii) in accordance with their respective statutory terms, or (iii) in the ordinary course of business,

(m) sales or dispositions between or among Loan Parties,

(n) voluntary terminations of any Hedge Agreements,

(o) the discount or compromise of notes or accounts receivable (other than Eligible Accounts (as defined in the ABL DIP Facility Documents)) for less than the face value in the resolution of disputes that occur in the ordinary course of business,

(p) the sale or disposition of shares of Equity Interests of any Subsidiary of Borrower (i) in order to qualify members of the governing body of the Subsidiary if and to the extent required by applicable law or (ii) to nationals of the jurisdiction of organization of any Subsidiary to the extent required by applicable law, and

(q) so long as no Event of Default has occurred and is continuing, sales of fixed assets in Toronto for cash consideration in an amount not to exceed $500,000 in the aggregate.

"Permitted Indebtedness" means:

(a) the DIP Facility Obligations, including Indebtedness evidenced by the Agreement or the other DIP Loan Documents,

(b) the Pre-Petition Term Obligations incurred by the Loan Parties pursuant to the Pre-Petition Term Facility,

(c) Indebtedness constituting Permitted Investments,

(d) Indebtedness of the Parent or any of its Subsidiaries arising from the honoring of a check, draft or similar instrument of such Person drawn against insufficient funds in the ordinary course of business, provided that such Indebtedness is extinguished within five Business Days of its incurrence;

(e) Indebtedness of the Parent or any Subsidiary in respect of (A) letters of credit, bankers' acceptances or other similar instruments or obligations issued, or relating to liabilities or obligations incurred in the ordinary course of business under indemnity, performance, surety, statutory, appeal and similar bonds, worker's compensation claims, bonds, letters of credit and completion guarantees, or (B) completion guarantees, surety, judgment, appeal or performance bonds, or other similar bonds, instruments or obligations, provided, or relating to liabilities or obligations incurred, in the ordinary course of business or (C) netting, overdraft protection and other arrangements arising under standard business terms of any bank at which the Parent or any of its Subsidiaries maintains an overdraft, cash pooling or other similar facility or arrangement,

(f) Indebtedness under the ABL DIP Facility Documents in an aggregate principal amount not to exceed the amount thereof permitted under the DIP Orders, together with any Refinancing (as defined in the Intercreditor Agreement) thereof in accordance with the Intercreditor Agreement,

(g) the Senior ABL Facility Obligations incurred by the Loan Parties pursuant to the Senior ABL Facility Documents, in a maximum principal amount for all such Indebtedness at any time outstanding not to exceed the amount thereof permitted under the DIP Orders, together with any Refinancing (as defined in the Intercreditor Agreement) thereof in accordance with the Intercreditor Agreement,

(h) Indebtedness incurred in the ordinary course of business in respect of credit cards, credit card processing services, debit cards, stored value cards, purchase cards (including so-called "procurement cards" or "P-cards"), or Cash Management Services,

(i) Indebtedness permitted to be incurred in accordance with the DIP Orders,

(j) Indebtedness incurred in the ordinary course of business owed to any Person providing property, casualty, liability, or other insurance to Parent or any of its Subsidiaries, so long as the amount of such Indebtedness is not in excess of the amount of the unpaid cost of, and shall be incurred only to defer the cost of, such insurance for the year in which such Indebtedness is incurred and such Indebtedness is outstanding only during such year,

(k) endorsement of instruments or other payment items for deposit,

(l) the incurrence by Parent or its Subsidiaries of Indebtedness under Hedge Agreements that are incurred for the bona fide purpose of hedging the interest rate, commodity, or foreign currency risks associated with Parent's and its Subsidiaries' operations and not for speculative purposes,

(m) unsecured Indebtedness (subject to customary rights of setoff) incurred in respect of netting services, overdraft protection, and other like services, in each case, incurred in the ordinary course of business,

(n) Indebtedness representing deferred compensation or similar obligations to employees incurred in the ordinary course of business,

(o) accrual of interest, accretion or amortization of original issue discount, or the payment of interest in kind, in each case, on Indebtedness that otherwise constitutes Permitted Indebtedness,

(p) to the extent constituting Indebtedness, unsecured Indebtedness consisting of take-or-pay obligations contained in supply agreements entered into by any Loan Party in the ordinary course of business consistent with past practices not to exceed at any time outstanding an amount equal to $500,000,

(q) Indebtedness in respect of workers' compensation claims, self-insurance obligations, expert or import indemnitees or similar instruments, customs bonds, governmental contracts and leases provided a by Loan Party in the ordinary course of its business and under any letters of credit, bank guarantees or similar instruments supporting the same,

(r) Indebtedness in respect of taxes, assessments or governmental charges to the extent that payment thereof shall not at the time be required to be made in accordance with Section 5.5,

(s) Indebtedness owing to a landlord arising under a lease of Real Property as a result of an ordinary course "build out" provision in connection with the financing by such landlord of leasehold improvements,

(t) unsecured guarantees issued by (x) Loan Parties to guaranty the underlying Indebtedness of another Loan Party and (y) a Subsidiary of Parent that is not a Loan Party to guaranty the underlying indebtedness of any other Subsidiary of Parent to the extent that such Subsidiary is a party to an Intercompany Subordination Agreement, in each case to the extent

that such Indebtedness is permitted under this Agreement (other than guaranties by US Borrower (as defined in the ABL DIP Facility Agreement) or any US Guarantor (as defined in the ABL DIP Facility Agreement) of any Indebtedness of any Canadian Loan Party (as defined in the ABL DIP Facility Documents), except for the US Guaranty (as defined in the ABL DIP Facility Agreement)),

(u) Indebtedness of a Foreign Subsidiary (other than Canadian Borrower (as defined in the ABL DIP Facility Agreement) or any Subsidiary organized under the laws of Canada or a province thereof) in an aggregate principal amount not to exceed $1,000,000 at any time, and

(v) Indebtedness outstanding on the Petition Date and set forth on Schedule 4.14 to the Agreement.

"Permitted Intercompany Advances" means loans and other Investments made by (a) a Loan Party to another Loan Party, (b) a Subsidiary of Parent that is not a Loan Party to another Subsidiary of Parent that is not a Loan Party, (c) a Subsidiary of Parent that is not a Loan Party to a Loan Party, so long as the parties thereto are party to the Intercompany Subordination Agreement, (d) a Loan Party to a Subsidiary of Parent that is not a Loan Party so long as (i) the aggregate amount of all such loans and other Investments after the Effective Date does not exceed the greater of $500,000 outstanding at any one time and the amount of such loan or Investment permitted to be made as "other payables" under the Approved Budget, and (ii) at the time of the making of such loan or other Investment, no Default Event of Default has occurred and is continuing or would result therefrom, and (e) loans made from proceeds of a Canadian Borrowing (as defined in the ABL DIP Facility Agreement) by the Canadian Borrower (as defined in the ABL DIP Facility Agreement) to any US Borrower (as defined in the ABL DIP Facility Agreement) secured against assets of the US Borrowers (as defined in the ABL DIP Facility Agreement) pursuant to the DIP Orders, provided that such security is junior to the Liens securing the Existing Secured US Obligations (as defined in the ABL DIP Facility Agreement) and the US Obligations (as defined in the ABL DIP Facility Agreement).

"Permitted Investments" means:

(a) Investments in cash and Cash Equivalents,

(b) Investments in negotiable instruments deposited or to be deposited for collection in the ordinary course of business,

(c) advances and extensions of trade credit made in connection with purchases of goods or services in the ordinary course of business and consistent with past practices,

(d) Investments received in settlement of amounts due to any Loan Party or any of its Subsidiaries effected in the ordinary course of business or owing to any Loan Party or any of its Subsidiaries as a result of Insolvency Proceedings involving an Account Debtor, upon the foreclosure or enforcement of any Lien in favor of a Loan Party or its Subsidiaries or in connection with an out-of-court restructuring of an Account Debtor,

(e) Investments owned by any Loan Party or any of its Subsidiaries on the Effective Date and set forth on Schedule P-1 to the Agreement,

(f) guarantees permitted under the definition of Permitted Indebtedness,

(g) Permitted Intercompany Advances,

(h) receivables owing to the Parent or any of its Subsidiaries, if created or acquired in the ordinary course of business,

(i) [reserved],

(j) deposits of cash outstanding on the Petition Date made in the ordinary course of business to secure performance of operating leases,

(k) Equity Interests or other securities acquired in connection with the satisfaction or enforcement of Indebtedness or claims due or owing to a Loan Party or its Subsidiaries (in bankruptcy of customers or suppliers or otherwise outside the ordinary course of business) or as security for any such Indebtedness or claims,

(l) [reserved],

(m) so long as no Event of Default has occurred and is continuing at the time such Investment is made or would result therefrom, any other Investments in an aggregate amount not to exceed the lesser of $250,000 outstanding at any time and the amounts therefor permitted in compliance with the Approved Budget,

(n) Investments (i) by Borrower or any Subsidiary that is a Loan Party in Borrower or any Subsidiary that is a Loan Party, (ii) by any non-Loan Party in any other non-Loan Party that is a Subsidiary and (iii) by any non-Loan Party in Borrower or any Subsidiary that is a Loan Party,

(o) Investments consisting of obligations under Hedge Agreements permitted by Section 6.1,

(p) advances in connection with purchases of goods or services in the ordinary course of business and consistent with past practice solely to the extent set forth in Approved Budget, and

(q) Advances of payroll payments to employees in the ordinary course of business to the extent set forth in the Approved Budget.

"Permitted Liens" means

(a) Liens granted to, or for the benefit of, Agent to secure any of the DIP Facility Obligations,

(b) Liens for unpaid Taxes, assessments, or other governmental charges or levies, and other statutory inchoate Liens, in each case that either (i) are not more than thirty days past due or (ii) the underlying Taxes, assessments, charges, levies or other obligations are the subject of Permitted Protests,

(c) judgment Liens arising solely as a result of the existence of judgments, orders, or awards that do not constitute an Event of Default under Section 8.3 of the Agreement so long as such judgments are stayed during the pendency of the Chapter 11 Cases,

(d) the interests of lessors and sublessors under operating leases and subleases and non-exclusive licensors and sublicensors under license agreements and sublicense agreements, in each case, incurred in the ordinary course of business,

(e) Liens arising by operation of law in favor of warehousemen, landlords, carriers, mechanics, materialmen, laborers, contractor, or suppliers, construction liens and other like liens, in each case incurred in the ordinary course of business and not in connection with the borrowing of money, and which Liens either (i) are for sums not more than thirty days past due, or (ii) are the subject of Permitted Protests,

(f) Liens on amounts deposited to secure Parent's and its Subsidiaries obligations in connection with worker's compensation or other unemployment insurance and other social security legislation or other insurance related obligations (including obligations in respect of letters of credit, bank guarantees or similar instruments) securing the same,

(g) Liens on amounts or Cash Equivalents deposited to secure Parent's and its Subsidiaries obligations in connection with the making or entering into of bids, tenders, contracts, or leases in the ordinary course of business, or statutory obligations and, in each case not in connection with the borrowing of money,

(h) Liens on amounts deposited to secure Parent's and its Subsidiaries reimbursement obligations with respect to surety, performance, bid, or appeal bonds, completion guarantees and similar obligations, or letters of credit, bank guarantees or similar instruments obtained in the ordinary course of business,

(i) with respect to any Real Property, (i) easements, covenants, conditions, reservations, declarations, rights of way, and zoning restrictions (including deed restrictions utilized in connection with any Remedial Actions required under Environmental Laws) and other similar matters of record affecting title to such Real Property, (ii) any state of facts that a current accurate survey and visual inspection would disclose, in either case, that do not materially interfere with or impair the use or operation thereof and (iii) all Liens and other matters disclosed in any Mortgage title insurance policy,

(j) licenses and sublicenses of Intellectual Property rights in existence as of the Effective Date or thereafter in the ordinary course of business,

(k) Liens granted or authorized by the DIP Orders, including, without limitation, replacement Liens granted to Senior ABL Facility Agent and Liens granted by US Borrowers (as defined in the ABL DIP Facility Agreement) to the Canadian Borrower (as defined in the ABL DIP Facility Agreement) to secure Permitted Intercompany Advances,

(l) (i) rights of setoff or bankers' liens upon deposits of funds in favor of banks or other depository institutions, solely to the extent incurred in connection with the maintenance of Deposit Accounts in the ordinary course of business, (ii) Liens of a collection bank arising under

Section 4-208 of the Uniform Commercial Code on the items in the course of collection, and (iii) Liens attaching to commodity trading accounts or other commodities brokerage accounts incurred in the ordinary course of business and not for speculative purposes,

(m) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties not yet delinquent in connection with the importation of goods,

(n) Liens on amounts deposited to secure amounts incurred in the ordinary course of business owing to public utilities or to any municipalities or Governmental Authorities or other public authority when required by the utility, municipality or Governmental Authorities or other public authority in connection with the supply of services or utilities to any Loan Party,

(o) Liens on specific items of inventory or other goods and proceeds thereof of any Person securing such Person's obligations in respect of bankers' acceptances or letters of credit issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or such other goods in the ordinary course of business,

(p) Liens securing the (x) Senior ABL Facility Obligations, (y) ABL DIP Facility Obligation, and (z) the Pre-Petition Term Facility Obligations,

(q) contractual rights of set-off relating to purchase orders and other agreements entered into in the ordinary course of business,

(r) inchoate Liens in respect of Canadian Priority Payables and Liens for which a "Canadian Priority Payables Reserve" (as defined therein) for the amount of such Lien has been established under the ABL DIP Facility Agreement,

(s) Liens set forth on Schedule 1.1A to the Agreement; provided, that to qualify as a Permitted Lien, any such Lien described on Schedule 1.1A to the Agreement shall only secure the Indebtedness that it secures on the Effective Date,

(t) Liens on assets securing the Senior ABL Facility Obligations subject to the Intercreditor Agreement,

(u) Liens granted in the ordinary course of business on the unearned portion of insurance premiums securing the financing of insurance premiums to the extent the financing is permitted under Section 6.1,

(v) Liens granted to, or for the benefit of, Pre-Petition Term Agent to secure the Pre-Petition Term Facility Obligations,

(w) Liens in the nature of precautionary UCC or PPSA filings (or similar filings) by lessors under operating leases,

(x) any interest of a lessee or sublessee or licensee under any lease or license of excess office, warehouse or other space by a Loan Party in the ordinary course of business consistent with past practices, and

(y) the Administration Charge (as defined in the ABL Facility Documents).

"Permitted Priority Lien" means Permitted Liens that, under applicable law, are senior to, and have not been subordinated to, the liens of the Agents under the DIP Loan Documents, but only to the extent that such liens are valid, enforceable and non-avoidable liens as of the Petition Date (or as may be permitted to be perfected on the Petition Date pursuant to Section 546 of the Bankruptcy Code).

"Permitted Protest" means the right of Parent or any of its Subsidiaries to protest any Lien (other than any Lien that secures the DIP Facility Obligations), Taxes, or rental or other lease payment, provided that (a) a reserve with respect to such obligation is established on Parent's or its Subsidiaries' books and records in such amount as is required under GAAP, (b) any such protest is instituted promptly and prosecuted in accordance with applicable law diligently by Parent or its Subsidiary, as applicable, in good faith, and (c) Agent is reasonably satisfied that, while any such protest is pending, there will be no impairment of the enforceability, validity, or priority of any of Agent's Liens.

"Permitted Tax Distributions" means, except as otherwise noted in this definition below, for the calendar year (or portion thereof) ending December 31, 2019 and each calendar year (or portion thereof) ending December 31 thereafter, distributions in the aggregate amount (1) if (A) Parent is not a Flow Through Entity and (B) Borrower is not a Flow Through Entity and Parent is a member (other than the parent) of a consolidated, combined or other similar group for tax purposes, an amount necessary to permit the parent of the aforementioned group to pay estimated or final federal income tax attributable to the taxable income of Borrower and its Subsidiaries for U.S. federal income tax purposes, provided that such payments shall not exceed the amount Borrower and its Subsidiaries would be required to pay if they filed as part of a consolidated, combined, or other similar group for tax purposes separately from the common parent with Borrower as the parent of such hypothetical group, or (2) if Borrower, Holdings and Parent are all Flow Through Entities, an amount equal to the sum of the aggregate net taxable income of Borrower for U.S. federal income tax purposes for the taxable year multiplied by the Effective Tax Rate; provided that such aggregate net taxable income shall be computed (i) as if all excess taxable losses and excess taxable credits of the company were carried forward (taking into account the character of any such loss carryforward as capital or ordinary) and (ii) taking into account any special basis adjustment resulting from an election under IRC Section 754. Borrower shall be permitted to make estimated tax distributions based on good faith estimates of the taxable income of Borrower and its Subsidiaries. Within ten (10) days of the filing of the federal income tax return of Parent it shall provide Agent with a signed declaration of the accountant that prepared such return of the amount of taxable income or loss from Borrower and its Subsidiaries that was reflected on such tax return. To the extent estimated Permitted Tax Distributions exceed final Permitted Tax Distributions for any calendar year, such excess, if already distributed, shall be returned to the Borrower. For purposes of this definition, "taxable income" of Borrower and its Subsidiaries shall include the taxable income of Borrower and its Subsidiaries (included pursuant to Section 951 and Section 951A of the IRC) only to the extent Borrower and its Subsidiaries receive from such Excluded Subsidiary an amount sufficient to pay all income taxes attributable to such taxable income.

"Permitted Variances" means, with respect to determining compliance with Section 6.19 relating to the Borrower's cash receipts, cash disbursements and net cash flow, (i) all variances favorable to the Borrowers and their Subsidiaries; (ii) with respect to determining compliance with Section 6.19(e) or 6.19(f) as of the end of any Testing Period, an unfavorable cumulative variance of 10.0% (in each case compared to the relevant amounts forecast for the same period in the Approved Budget); and (iii) with respect to determining compliance with Section 6.19(g) as of the end of any Testing Period, an unfavorable cumulative variance of 15.0% (in each case compared to the amount forecast for the same period in the Approved Budget).

"Persons" means natural persons, corporations, limited liability companies, limited partnerships, unlimited liability companies, general partnerships, limited liability partnerships, joint ventures, trusts, land trusts, business trusts, or other organizations, irrespective of whether they are legal entities, and governments and agencies and political subdivisions thereof.

"Petition Date" has the meaning specified therefor in the recitals.

"Plan Effective Date" means the date in which all conditions precedent to the effectiveness of a Proposed Plan has been satisfied or waived in accordance with the Proposed Plan.

"Post-Carve Out Trigger Notice Cap" has the meaning specified therefor in Section 2.14(d) of the Agreement.

"Pre-Petition Payment" means a payment (by way of adequate protection or otherwise) of principal or interest or otherwise on account of any pre-petition Indebtedness, trade payables or other pre-petition claims against any Loan Party.

"Pre-Petition Term Agent" means Barings Finance LLC in its capacity as agent for the Pre-Petition Term Lenders under the Pre-Petition Term Facility Documents, or any successor agent under the Pre-Petition Term Facility Documents.

"Pre-Petition Term Facility Agreement" means that certain Term Loan Credit Agreement, dated as of June 9, 2017, by and among the Borrower, the Parent Guarantors, the Pre-Petition Term Agent, the Pre-Petition Term Lenders, as the same may be amended, supplemented, waived or otherwise modified from time to time.

"Pre-Petition Term Facility" means the Pre-Petition Term Facility Agreement, any Pre-Petition Term Facility Documents, any notes issued pursuant thereto and any guarantee and collateral agreement, patent and trademark security agreement, mortgages, and other guarantees, pledge agreements, security agreements and collateral documents, and other instruments and documents, executed and delivered pursuant to or in connection with any of the foregoing, in each case as the same may be amended, supplemented, waived or otherwise modified from time to time.

"Pre-Petition Term Facility Documents" means the "Loan Documents" as defined in the Pre-Petition Term Facility Agreement, as the same may be amended, supplemented, waived, or otherwise modified from time to time.

"Pre-Petition Term Lenders" means the lenders from time to time party to the Pre-Petition Term Facility Agreement.

"Pre-Petition Term Liens" means the Liens securing the Pre-Petition Term Obligations.

"Pre-Petition Term Obligations" means the "Obligations" under and as defined in the Pre-Petition Term Facility Agreement.

"Prepayment Date" has the meaning specified therefor in Section 2.4(f) of the Agreement.

"Proposed Plan" has the meaning specified therefor in Section 8.9(m)(iv) of this Agreement.

"Pro Rata Share" means, as of any date of determination:

(a) with respect to a Lender's obligation to make all or a portion of the DIP Loans of any tranche, with respect to such Lender's right to receive payments of interest, fees, and principal with respect to the DIP Loans of such tranche, and with respect to all other computations and other matters related to the DIP Loans of such tranche, the percentage obtained by dividing (i) the DIP Loan Commitments (or, if such DIP Loan Commitments are terminated, the outstanding DIP Loans) of such tranche owed to such Lender by (ii) the aggregate DIP Loan Commitments (or, if such DIP Loan Commitments are terminated, the aggregate outstanding DIP Loans) of such tranche owed to all Lenders, and

(b) with respect to all other matters and for all other matters as to a particular Lender (including the indemnification obligations arising under Section 15.7 of the Agreement), the percentage obtained by dividing (i) the DIP Loan Commitments (or, if such DIP Loan Commitments are terminated, the outstanding DIP Loans) of the relevant tranche owed to such Lender by (ii) the aggregate DIP Loan Commitments (or, if such DIP Loan Commitments are terminated, the aggregate outstanding DIP Loans) of the relevant tranche owed to all Lenders, in any such case as the applicable percentage may be adjusted by assignments permitted pursuant to Section 13.1; provided, that if all of the DIP Loans of the relevant tranche have been repaid in full, and all DIP Loan Commitments of the relevant tranche have been terminated, Pro Rata Share under this clause shall be determined as if the DIP Loans of the relevant tranche had not been repaid and shall be based upon the DIP Loans of the relevant tranche as they existed immediately prior to their repayment.

"Qualified Equity Interests" means and refers to any Equity Interests issued by Parent (and not by one or more of its Subsidiaries) that is not a Disqualified Equity Interest.

"Real Property" means any estates or interests in real property now owned or hereafter acquired by Parent or one of its Subsidiaries and the improvements thereto, including without limitation the Real Property Collateral.

"Real Property Collateral" means the Real Property identified on Schedule R-1 to the Agreement and any Real Property hereafter acquired by any Loan Party in fee simple with a fair market value greater than $1,000,000.

"Recipient" means (a) Agent and (b) any Lender, as applicable.

"Recognition Proceedings" means the recognition proceeding commenced under Part IV of the Companies' Creditors Arrangement Act in the Ontario Superior Court of Justice (Commercial List) to recognize the Chapter 11 Cases as "foreign main proceedings".

"Record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

"Recovery Event" means any settlement of or payment in respect of any property or casualty insurance claim or any condemnation proceeding relating to any asset of any Loan Party giving rise to Net Cash Proceeds to such Loan Party, as the case may be, to the extent that such settlement or payment does not constitute reimbursement or compensation for amounts previously paid by the Borrower or any other Loan Party in respect of such casualty or condemnation.

"Register" has the meaning set forth in Section 13.1(h) of the Agreement.

"Registered Loan" has the meaning set forth in Section 13.1(h) of the Agreement.

"Related Agreements" means the DIP Loan Documents, the RSA and all other agreements or instruments executed in connection with the Related Transactions.

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

"Related Transactions" means (i) the execution, delivery and performance by the Loan Parties of this Agreement and each other DIP Loan Document to which they are a party, the initial borrowing under of the DIP Loan and the use of the proceeds thereof, and the grant of DIP Liens by the Borrower on the DIP Collateral pursuant to this Agreement, the DIP Orders and the Guaranty and Security Agreement, (ii) the commencement and filing of the Chapter 11 Cases and (iii) the payment of all fees, costs and expenses associated with all of the foregoing.

"Remedial Action" means all actions taken to (a) clean up, remove, remediate, contain, treat, monitor, assess, evaluate, or in any way address Hazardous Materials in the environment, (b) prevent or minimize a release or threatened release of Hazardous Materials so they do not migrate or endanger or threaten to endanger public health or welfare or the environment, (c) restore or reclaim natural resources or the environment, (d) perform any pre-remedial studies, investigations, or post-remedial operation and maintenance activities, or (e) conduct any other actions with respect to Hazardous Materials required by Environmental Laws.

"Replacement Lender" has the meaning specified therefor in Section 2.13(b) of the Agreement.

"Required Lenders" means, at any time, Lenders having or holding more than 50% of the sum of the aggregate outstanding DIP Loans of all Lenders; provided, that the outstanding DIP Loans of any Defaulting Lender shall be disregarded in the determination of the Required Lenders; provided, further, that if at any time there are two (2) or more Lenders, then at least two (2) Lenders shall be necessary to constitute Required Lenders (for purposes of this proviso, a Lender and any other Lenders that are Affiliates or Related Funds of such Lender shall be counted as a single Lender).

"Responsible Officer" of any Person means the chief executive officer, the president, executive vice president, any senior vice president, any vice president, the chief operating officer, the legal representative, the general manager or any Financial Officer of such Person and any other individual or similar official thereof responsible for the administration of the obligations of such Person in respect of the Agreement. Agent and each Lender shall be entitled to conclusively presume that (i) any document delivered hereunder that is signed by a Responsible Officer of a Loan Party has been authorized by all necessary corporate, partnership and/or other action on the part of such Loan Party, and (ii) such Responsible Officer has acted on behalf of such Loan Party.

"Restricted Asset Sale Proceeds" means, in respect of a Foreign Asset Sale, an amount equal to the Net Cash Proceeds attributable thereto if and solely to the extent that the repatriation of such Net Cash Proceeds to Borrower (a) would result in material (relative to the amount of the Foreign Asset Sale) adverse Tax consequences to Parent or any of its Subsidiaries (taking into account any foreign tax credit that would be realized in connection with such repatriation) or (b) would be prohibited (but only for so long as such prohibition is in effect) or restricted (but only to the extent of such restriction and, then, only for so long as such restriction is in effect) by applicable law, rule or regulation, organizational document of the applicable Foreign Subsidiary, or pre-existing contract (so long as (i) such contractual obligation or restriction or organizational document was not entered into or imposed in contemplation of such repatriation and (ii) unless such prohibition or restriction is required to be included under applicable law, rule, or regulation, if there are commercially reasonable measures available to remove such prohibition or restriction from its organizational documents, such Foreign Subsidiary has taken such commercially reasonable measures). For purposes of this definition, if an officer's certificate setting forth a calculation in reasonable detail of the amount of Restricted Asset Sale Proceeds in respect of any Foreign Asset Sale is delivered to Agent, such certificate shall be prima facie evidence of such amount unless Agent or any Lender notifies Borrower within 10 Business Days after such certificate is received by Agent that it (i) disagrees with such determination (including a description of the basis upon which it disagrees) or (ii) reasonably requires additional information in order to determine whether it agrees or disagrees with such determination.

"Restricted Payment" means to (a) declare or pay any dividend or make any other payment or distribution, directly or indirectly, on account of Equity Interests issued by Parent (including any such payment in connection with any merger, amalgamation or consolidation involving Parent) or to the direct or indirect holders of Equity Interests issued by Parent in their capacity as such (other than dividends or distributions payable in Qualified Equity Interests issued by Parent), or (b) purchase, redeem, make any sinking fund or similar payment, or otherwise acquire or retire for value (including in connection with any merger, amalgamation or consolidation involving Parent) any Equity Interests issued by Parent, and (c) make any payment

to retire, or to obtain the surrender of, any outstanding warrants, options, or other rights to acquire Equity Interests of Parent now or hereafter outstanding.

"RSA" means a Restructuring Support Agreement, dated as of the date hereof, entered into by the Loan Parties, the Agent, and certain of the Pre-Petition Term Lenders, and the other parties thereto.

"Sanctioned Entity" means (a) a country or a government of a country, (b) an agency of the government of a country, (c) an organization directly or indirectly controlled by a country or its government, (d) a Person resident in or determined to be resident in a country, in each case, that is subject to a comprehensive country sanctions program administered and enforced by OFAC.

"Sanctioned Person" means a person named on the list of Specially Designated Nationals maintained by OFAC.

"S&P" has the meaning specified therefor in the definition of Cash Equivalents.

"SEC" means the United States Securities and Exchange Commission and any successor thereto.

"Securities Account" means a securities account (as that term is defined in the Code).

"Securities Act" means the Securities Act of 1933, as amended from time to time, and any successor statute.

"Security Documents" means the Guaranty and Security Agreement, each Mortgage related to any mortgaged real property, and all other similar security documents hereafter delivered to the Agent granting or perfecting a DIP Lien on any asset or assets of any Person to secure the obligations and liabilities of the Loan Parties hereunder and/or under any of the other DIP Loan Documents or to secure any guarantee of any such obligations and liabilities, in each case, as amended, supplemented, waived or otherwise modified from time to time. For the avoidance of doubt, the DIP Orders shall constitute "Security Documents" for all purposes hereunder.

"Selling Lender" has the meaning specified therefor in Section 13.1(l) of the Agreement.

"Senior ABL Agreement" means the Third Amended and Restated Credit Agreement, dated as of June 9, 2017, by and among the Parent Guarantors, Borrower, Hollander Sleep Products Canada Limited, certain subsidiaries of Parent, the Senior ABL Facility Agent, the lenders party thereto and the other parties thereto.

"Senior ABL Facility Agent" means Wells Fargo Bank, National Association, in its capacity as administrative agent under the Senior ABL Facility Documents, together with its successors and assigns.

"Senior ABL Facility" means the Senior ABL Agreement, any Senior ABL Facility Documents, any notes and letters of credit issued pursuant thereto and any guarantee and

collateral agreement, patent and trademark security agreement, mortgages, letter of credit applications and other guarantees, pledge agreements, security agreements and collateral documents, and other instruments and documents, executed and delivered pursuant to or in connection with any of the foregoing, in each case as the same may be amended, supplemented, waived or otherwise modified from time to time.

"Senior ABL Facility Documents" means the "Loan Documents" as defined in the Senior ABL Agreement, as the same may be amended, supplemented, waived, otherwise modified, extended, renewed, refinanced or replaced from time to time.

"Senior ABL Facility Lenders" means the lenders under the Senior ABL Agreement.

"Senior ABL Facility Obligations" means the "Obligations", as defined in the Senior ABL Agreement.

"Sponsor" means Sentinel Capital Partners, L.L.C.

"Sponsor Affiliated Entity" means Sponsor or any of its Affiliates (other than Loan Parties or their Subsidiaries and other than operating portfolio companies of Sponsor and its Affiliates).

"Subsidiary" of a Person means a corporation, partnership, limited liability company, unlimited liability company or other entity in which that Person directly or indirectly owns or controls the Equity Interests having ordinary voting power to elect a majority of the Board of Directors of such corporation, partnership, limited liability company, unlimited liability company, or other entity.

"Taxes" or "taxes" means any taxes, levies, imposts, duties, fees, assessments or other charges of whatever nature now or hereafter imposed by any jurisdiction or by any political subdivision or taxing authority thereof or therein, and all interest, penalties or similar liabilities with respect thereto.

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

"Term Loan Priority Collateral" has the meaning specified therefor in the Intercreditor Agreement.

"Termination Event" has the meaning specified therefor in Section 8.9 of the Agreement.

"Testing Period" means (x) as of end of the week that is the third Friday after the Petition Date, the period commencing with the first day of the first calendar week covered by the Approved Budget and ending with the last day of such week; and (y) as of the end of each consecutive two-week period ending thereafter (ending with the last such full two-week period ending during the Life of the Case), the period commencing with the first day of the first calendar week covered by the Approved Budget and ending with the last day of the applicable week referenced in this clause (y).

"TL Deposit Account" means a non-interest bearing cash collateral account established and maintained by the Borrower at an office of the Collateral Account Bank in the name, and, subject to the DIP Orders, under the "control" (as defined in the Uniform Commercial Code as in effect from time to time in the State of New York) of the Agent for the benefit of the Secured Parties; provided that until such time as such account subject to a lien or control agreement securing the Obligations is established, TL Deposit Account shall mean arrangements of substantially similar effect reasonably satisfactory to the Agent (and set forth in the DIP Orders) for such funds to be deposited with and maintained in the Debtors' account(s) at Wells Fargo). For the avoidance of doubt, any requirement to enter into a control agreement with respect to the TL Deposit Account shall be satisfied by entering into such agreement with the Agent, with control to be exercised in accordance with the DIP Orders.

"Trademark Security Agreement" has the meaning specified therefor in the Guaranty and Security Agreement.

"Unasserted Contingent Indemnification Obligations" means contingent indemnification obligations to the extent no demand or claim has been made with respect thereto and no claim giving rise thereto has been asserted.

"United States" means the United States of America.

"US Foreign Holdco" means any Subsidiary of Parent organized under the laws of a State of the United States or the District of Columbia substantially all of whose assets consist of stock or other equity (or instruments treated as equity for U.S. federal income tax purposes) of one or more CFCs and other assets of *de minimis* value (including, without limitation, any Canadian Subsidiary).

"US Person" means any Person that is a "United States Person" as defined in Section 7701(a)(30) of the IRC.

"Variance Report" has the meaning specified therefor in Section 5.2(a) of the Agreement.

"Voidable Transfer" has the meaning specified therefor in Section 17.8 of the Agreement.

"Weekly Cash Flow Forecast" has the meaning specified therefor in Section 5.2(a) of the Agreement.

"Withdrawal Liability" means liability with respect to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

"Write-Down and Conversion Powers" means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule

Schedule 1.1A

Permitted Liens

Name of Debtor	Secured Party	Jurisdiction/Office	File Number/ Date Filed	Type of Lien	Description of Collateral
HOLLANDER SLEEP PRODUCTS, LLC	TOYOTA INDUSTRIES COMMERCIAL FINANCE, INC. NATIONWIDE LIFT TRUCKS INC.	Delaware - Secretary of State	2017 0983046 02/13/2017	UCC-1	Leased equipment
HOLLANDER SLEEP PRODUCTS, LLC	IBM CREDIT LLC	Delaware - Secretary of State	2017 7995188 12/04/2017	UCC-1	Leased equipment
HOLLANDER SLEEP PRODUCTS, LLC	CANNON FINANCIAL SERVICES, INC.	Delaware - Secretary of State	2018 3435233 05/21/2018	UCC-1	Leased equipment
HOLLANDER SLEEP PRODUCTS, LLC	HYG FINANCIAL SERVICES, INC.	Delaware - Secretary of State	2018 7480524 10/29/2018	UCC-1	Leased equipment
Hollander Sleep Products, LLC	MAC CROSSING, L.L.C.	Texas - Dallas County, Clerk	201800098247 04/16/2018	UCC-1	All of Debtor's property situated in or upon, or used in connection with, the Premises or the Project located at 2615 Gifford Street, Grand Prairie, Texas 75050
PACIFIC COAST FEATHER COMPANY	NMHG FINANCIAL SERVICES, INC.	Washington - Department of Licensing	2012-156-8434-8 06/04/2012	UCC-1	Leased equipment
PACIFIC COAST FEATHER COMPANY	DE LANDEN FINANCIAL SERVICES, INC.	Washington - Department of Licensing	2013-259-9054-4 09/16/2013	UCC-1	Leased equipment

Schedule 4.1(b)

Subscriptions, Options, Warrants, Calls of Parent

There are a total of 11,428,571 options issued with respect to all classes of the outstanding units in Dream II Holdings, LLC that include time and exit options as well as two classes of performance options.

Schedule 4.1(c)

Capitalization of Parent's Subsidiaries

Issuer	Holder	Class of Equity Interest	Number of Authorized Shares	Number of Shares Issued and Outstanding	Percentage Owned by Holder
Hollander Home Fashions Holdings, LLC	Dream II Holdings, LLC	Membership interests	1,358,214 Common Units	N/A	100%
Hollander Sleep Products, LLC	Hollander Home Fashions Holdings, LLC	Membership interests	1,000 units	N/A	100%
Hollander Sleep Products Kentucky, LLC	Hollander Sleep Products, LLC	Membership interests	1,000 units	N/A	100%
Hollander Home Fashions Trading (Shanghai) Co., Ltd.	Hollander Sleep Products, LLC	Membership interests	N/A	N/A	100%
Hollander Sleep Products Canada Limited	Dream II Holdings, LLC	Common shares	1 common share	1	100%
Pacific Coast Feather, LLC	Hollander Sleep Products, LLC	Membership interests	N/A	N/A	100%
Pacific Coast Feather Cushion, LLC	Pacific Coast Feather, LLC	Membership interests	N/A	N/A	100%
PCF (Shanghai) Quality Management Consulting Co., Ltd.	Pacific Coast Feather, LLC	Equity interest	N/A	N/A	100%

Schedule 4.1(d)

Subscriptions, Options, Warrants, Calls of Parent's Subsidiaries

None.

Schedule 4.6(a)

Litigation

1. The Bankruptcy Cases, the Recognition Proceedings and any litigation resulting therefrom

Schedule 4.10

Benefit Plans

None.

Schedule 4.11

Environmental Matters

None.

Schedule 4.14

Permitted Indebtedness

1. To the extent constituting Indebtedness, Capitalized Lease Obligations secured by the Liens set forth on Schedule P-2

Schedule 4.25

Immaterial Subsidiaries

None.

Schedule 4.26

Intellectual Property

Schedules 2, 4 and 6 to the Guaranty and Security Agreement are herein incorporated by reference.

Schedule 4.27

Insurance

COVERAGE	INSURER	POLICY NUMBER	POLICY TERM
Workers Compensation/Employers Liability	Safety First Insurance Co.	FCL 4059909	1/1/19-1/1/20
Automobile Liability & Physical Damage	Safety National Casualty Corp	CAF 4059905	1/1/19-1/1/20
General Liability	Safety National Casualty Corp	GLF 4059904	1/1/19-1/1/20
Umbrella Liability Excess Umbrella	Continental Insurance Co. The Ohio Casualty Insurance Co.	TBD TBD	1/1/19-1/1/20
Foreign Package	Insurance Co. of the State of PA (AIG)	WS11001075	1/1/19-1/1/20
Property Terrorism	Lexington Insurance Co. (Primary) James River Ins. Co. ($25MM xs $25MM) Landmark American ($50MM xs $50MM) Lloyds of London (Hiscox)	061818976 000812520 LHD903070 UTS2555987.19	2/1/18-2/1/19 2/1/18-2/1/19 2/1/18-2/1/19 1/1/19-2/1/20
Stock Throughput/Cargo	Lloyds of London	B0509MARCW1900022	1/1/19-1/1/20
Commercial Crime	Travelers	106205672	1/1/19-1/1/20
Cyber (Privacy & Network Liability)	ACE American Insurance Co.	G25666707004	1/1/19-1/1/20
Special Crime (K&R)	National Union Fire Ins Co (AIG)	82867529	1/1/18-11/1/19
Employment Practices Liability	Travelers Casualty and Surety Company of America	106876796	1/1/19-1/1/20

Schedule 6.10

Affiliate Transactions

1. Last Out DIP Obligations

Execution Version

DEBTOR-IN-POSSESSION TERM LOAN GUARANTY AND SECURITY AGREEMENT

This **DEBTOR-IN-POSSESSION TERM LOAN GUARANTY AND SECURITY AGREEMENT** (this "Agreement"), dated as of May [_], 2019, among the Persons listed on the signature pages hereof as "Grantors" and those additional entities that hereafter become parties hereto by executing the form of Joinder attached hereto as Annex 1 (each, a "Grantor" and collectively, the "Grantors"), and **BARINGS FINANCE LLC**, in its capacity as administrative agent for the Lender Group (in such capacity, together with its successors and permitted assigns in such capacity, "Agent").

W I T N E S S E T H:

WHEREAS, on the Petition Date, the Borrower and the Guarantors commenced the Chapter 11 Cases by filing with the Bankruptcy Court voluntary petitions for relief under chapter 11 the Bankruptcy Code;

WHEREAS, each of the Loan Parties is continuing in the possession of its assets and in the management of its business as a debtor-in-possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code;

WHEREAS, the Borrower has requested the Lenders to extend credit to the Borrower in the form of the DIP Facility subject to that certain Debtor-In-Possession Term Loan Credit Agreement of even date herewith (as amended, restated, extended, refinanced, supplemented, or otherwise modified from time to time, the "DIP Term Loan Credit Agreement") by and among the lenders identified on the signature pages thereto (each of such lenders, together with its successors and permitted assigns, is referred to hereinafter as a "Lender", as that term is thereafter further defined), Agent, Parent, Holdings and Borrower and, when entered, the Interim DIP Order, and the Final DIP Order, as applicable, which will be used in accordance with the Approved Budget;

WHEREAS, the Borrower has requested the ABL DIP Lenders to extend credit to the Borrower in the form of an ABL DIP Facility pursuant to the terms of that certain ABL DIP Facility Agreement;

WHEREAS, in connection with the execution and delivery of the DIP Term Loan Credit Agreement, the Grantors have agreed to enter into this Agreement;

WHEREAS, Agent has agreed to act as agent for the benefit of the Lender Group in connection with the transactions contemplated by the DIP Term Loan Credit Agreement and this Agreement;

WHEREAS, in order to induce the Lender Group to enter into the DIP Term Loan Credit Agreement and the other DIP Loan Documents, and to induce the Lender Group to make financial accommodations to Borrower as provided for in the DIP Term Loan Credit Agreement and the other DIP Loan Documents, (a) each Grantor has agreed to grant to Agent, for the benefit of the Lender Group, in each case subject to the Carve-Out, with DIP Liens on the DIP Collateral in order to secure the prompt and complete payment, observance and performance of, among

other things, the DIP Secured Obligations and (b) each Grantor has agreed to guaranty the DIP Guarantied Obligations; and

WHEREAS, each Grantor is an Affiliate or a Subsidiary of Borrower and, as such, will benefit by virtue of the financial accommodations extended to Borrower by the Lender Group.

WHEREAS, the Intercreditor Agreement governs the relative rights and priorities of the Lender Group and the "Lender Group" under the Senior ABL Agreement in respect of the Term Loan Priority Collateral as defined in the Intercreditor Agreement and the ABL Priority Collateral as defined in the Intercreditor Agreement (and with respect to certain other matters as described therein).

NOW, THEREFORE, for and in consideration of the recitals made above and other good and valuable consideration, the receipt, sufficiency and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions; Construction.

(a) All initially capitalized terms used herein (including in the preamble and recitals hereof) without definition shall have the meanings ascribed thereto in the DIP Term Loan Credit Agreement (including Schedule 1.1 thereto). Any terms (whether capitalized or lower case) used in this Agreement that are defined in the Code shall be construed and defined as set forth in the Code unless otherwise defined herein or in the DIP Term Loan Credit Agreement; provided that to the extent that the Code is used to define any term used herein and if such term is defined differently in different Articles of the Code, the definition of such term contained in Article 9 of the Code shall govern. In addition to those terms defined elsewhere in this Agreement, as used in this Agreement, the following terms shall have the following meanings:

(i) "Account" means an account (as that term is defined in Article 9 of the Code).

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

(iii) "Activation Instruction" has the meaning specified therefor in Section 7(k).

(iv) "Agent" has the meaning specified therefor in the preamble to this Agreement.

(v) "Agreement" has the meaning specified therefor in the preamble to this Agreement.

(vi) "Applicable Trigger" has the meaning specified therefor in Section 7(k)(ii).

(vii) "Books" means books and records (including each Grantor's Records indicating, summarizing, or evidencing such Grantor's assets (including the DIP

Collateral) or liabilities, each Grantor's Records relating to such Grantor's business operations or financial condition, and each Grantor's goods or General Intangibles related to such information).

(viii) "Borrower" has the meaning specified therefor in the recitals to this Agreement.

(ix) [Reserved].

(x) "Chattel Paper" means chattel paper (as that term is defined in the Code), and includes tangible chattel paper and electronic chattel paper.

(xi) "Code" means the New York Uniform Commercial Code, as in effect from time to time; provided, however, that in the event that, by reason of mandatory provisions of law, any or all of the perfection, priority, or remedies with respect to Agent's DIP Lien on any DIP Collateral is governed by the Uniform Commercial Code as enacted and in effect in a jurisdiction other than the State of New York, the term "Code" shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such perfection, priority, or remedies.

(xii) "Commercial Tort Claims" means commercial tort claims (as that term is defined in the Code), and includes those commercial tort claims listed on Schedule 1.

(xiii) "Commodity Exchange Act" means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

(xiv) "Controlled Account" has the meaning specified therefor in Section 7(k).

(xv) [Reserved].

(xvi) "Controlled Account Bank" has the meaning specified therefor in Section 7(k).

(xvii) "Copyrights" means any and all rights in any works of authorship, including (whether statutory or common law, whether established or registered in the United States or any other country or any political subdivision thereof, whether registered or unregistered and whether published or unpublished), including (A) copyrights and moral rights, (B) copyright registrations and recordings thereof and all applications in connection therewith including those listed on Schedule 2 and (C) renewals and extensions thereof.

(xviii) "Copyright Security Agreement" means each Copyright Security Agreement executed and delivered by Grantors, or any of them, and Agent, in substantially the form of Exhibit A.

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

(xx) "DIP Collateral" has the meaning specified therefor in Section 3.

(xxi) "DIP Guarantied Obligations" means all of the DIP Facility Obligations now or hereafter existing, whether for principal, interest (including any interest that accrues after the commencement of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any such Insolvency Proceeding), fees (including the fees provided for in the Fee Letters), Lender Group Expenses (including any fees or expenses that accrue after the commencement of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any such Insolvency Proceeding), or otherwise. Without limiting the generality of the foregoing, DIP Guarantied Obligations shall include all amounts that constitute part of the DIP Guarantied Obligations and would be owed by Borrower to Agent or any other member of the Lender Group but for the fact that they are unenforceable or not allowable, including due to the existence of a bankruptcy, reorganization, other Insolvency Proceeding or similar proceeding involving Borrower or any guarantor,

(xxii) "DIP Secured Obligations" means each and all of the following: (A) all of the present and future obligations of each of the Grantors arising from, or owing under or pursuant to, this Agreement (including the Guaranty), the DIP Term Loan Credit Agreement, or any of the other DIP Loan Documents and (B) all other DIP Facility Obligations of Borrower and all other DIP Guarantied Obligations of each Guarantor (including, in the case of each of clauses (A) and (B), Lender Group Expenses and any interest, fees, or expenses that accrue after the filing of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any Insolvency Proceeding).

(xxiii) "DIP Supporting Obligations" means supporting obligations (as such term is defined in the Code), and includes letters of credit and guaranties issued in support of Accounts, Chattel Paper, documents, General Intangibles, instruments or Investment Property.

(xxiv) "DIP Term Loan Credit Agreement" has the meaning specified therefor in the recitals to this Agreement.

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

(xxvi) "Excluded DIP Collateral" has the meaning specified therefor in Section 3.

(xxvii) "Excluded Deposit Accounts and Securities Accounts" means (a) Deposit Accounts established solely (I) for the purposes of funding payroll, payroll taxes, escrow trust and employee wage and benefits payments (which aggregate balance in such accounts shall not exceed the total amount estimated by the Borrower in good faith to be payable in the following 30 days from such account or such greater amount as required by law), (II) as tax accounts, including, without limitation, sales tax accounts, (III) as escrow, defeasance and redemption accounts in respect of transactions permitted under the DIP Term Loan Credit Agreement or (IV) as fiduciary or trust accounts, (b) Deposit Account and Securities Accounts with aggregate balances for all such excluded accounts not to exceed $250,000 in the aggregate, and (c) those certain Deposit Accounts with account numbers 245101145 and 245101145 to the extent that the amounts deposited therein (i) secure the DIP Collateral (as each is defined in the applicable Cash Collateral Agreement dated as of June 9, 2017, by and between Pacific Coast Feather Company and Bank of America, N.A.) and (ii) do not exceed $3,208,989 and $200,000, respectively.

(xxviii) "Farm Products" means farm products (as that term is defined in the Code).

(xxix) "Fixtures" means fixtures (as that term is defined in the Code).

(xxx) "Foreclosed Grantor" has the meaning specified therefor in Section 2(i)(iii).

(xxxi) "General Intangibles" means general intangibles (as that term is defined in the Code), and includes payment intangibles, contract rights, rights to payment, rights under Hedge Agreements (including the right to receive payment on account of the termination (voluntarily or involuntarily) of such Hedge Agreements), rights arising under common law, statutes, or regulations, choses or things in action, goodwill, Intellectual Property (together with any income, fees, royalties, damages and payments now and hereafter due and/or payable thereunder and with respect thereto, including damages, claims and payments for past, present or future infringements thereof, and rights to sue for past, present and future infringements thereof), Intellectual Property Licenses, purchase orders, customer lists, monies due or recoverable from pension funds, route lists, rights to payment and other rights under any royalty or licensing agreements, including Intellectual Property Licenses, infringement claims, pension plan refunds, pension plan refund claims, insurance premium rebates, tax refunds, and tax refund claims, interests in a partnership or limited liability company which do not constitute a security under Article 8 of the Code, and any other personal property other than Commercial Tort Claims, money, Accounts, Chattel Paper, Deposit Accounts, goods, Investment Property, Negotiable DIP Collateral, and oil, gas, or other minerals before extraction.

(xxxii) "Grantor" and "Grantors" have the respective meanings specified therefor in the preamble to this Agreement.

(xxxiii)"Guarantor" means each Grantor other than Borrower.

(xxxiv)"Guaranty" means the guaranty set forth in Section 2 hereof.

(xxxv) "Intellectual Property" means any and all Patents, Copyrights, Trademarks, trade secrets, know-how, inventions (whether or not patentable), algorithms, software programs (including source code and object code), processes, product designs, industrial designs, data, URLs and Internet domain names, and any other forms of technology or proprietary information of any kind, including all rights therein and all applications for registration or registrations thereof.

(xxxvi)"Intellectual Property Licenses" means, with respect to any Person (the "Specified Party"), (A) any licenses or other similar rights, including covenants not to sue, provided to the Specified Party in or with respect to Intellectual Property owned, made or controlled by any other Person, and (B) any licenses or other similar rights, including covenants not to sue, provided to any other Person in or with respect to Intellectual Property owned, made or controlled by the Specified Party, in each case, including (x) any software license agreements (other than license agreements for commercially available off-the-shelf software that is generally available to the public), (y) the license agreements listed on Schedule 3, and (z) the right to use any

of the licenses or other similar rights described in this definition, as permitted by the applicable license, in connection with the enforcement of the Lender Group's rights under the DIP Loan Documents.

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

(xxxviii) "Investment Property" means (A) any and all investment property (as that term is defined in the Code), and (B) any and all of the following (regardless of whether classified as investment property under the Code): all Pledged Interests, Pledged Intercompany Notes, Pledged Operating Agreements, and Pledged Partnership Agreements.

(xxxix)"Joinder" means each Joinder to this Agreement executed and delivered by Agent and each of the other parties listed on the signature pages thereto, in substantially the form of Annex 1.

(xl) "Lender" and "Lenders" have the respective meanings specified therefor in the recitals to this Agreement.

(xli) "Negotiable DIP Collateral" means letters of credit, letter-of-credit rights, instruments, promissory notes, drafts and documents (as each such term is defined in the Code).

(xlii) "Parent" has the meaning specified therefor in the recitals to this Agreement.

(xliii) "Patents" means patents and patent applications (whether established or registered or filed in the United States or any other country or any political subdivision thereof), including (A) the patents and patent applications listed on Schedule 4, (B) all inventions and improvements described in or claimed therein and (C) all continuations, divisionals, continuations-in-part, re-examinations, and reissues thereof and improvements thereon.

(xliv) "Patent Security Agreement" means each Patent Security Agreement executed and delivered by Grantors, or any of them, and Agent, in substantially the form of Exhibit B.

(xlv) "Pledged Companies" means each Person listed on Schedule 5 as a "Pledged Company", together with each other Person, all or a portion of whose Equity Interests (other than Equity Interests constituting Excluded DIP Collateral) are acquired or otherwise owned by a Grantor after the date of this Agreement.

(xlvi) "Pledged Intercompany Notes" means all of each Grantor's rights, title and interest to all the intercompany loans and notes now owned or hereafter acquired by such Grantor.

(xlvii) "Pledged Interests" means all of each Grantor's right, title and interest in and to all of the Equity Interests now owned or hereafter acquired by such Grantor (other than Equity Interests constituting Excluded DIP Collateral), regardless of class or designation, including in each of the Pledged Companies owned by it, and all substitutions therefor

and replacements thereof, all proceeds thereof and all rights relating thereto, also including any certificates representing the Equity Interests, the right to receive any certificates representing any of the Equity Interests, all warrants, options, share appreciation rights and other rights, contractual or otherwise, in respect thereof and the right to receive all dividends, distributions of income, profits, surplus, or other compensation by way of income or liquidating distributions, in cash or in kind, and all cash, instruments, and other property from time to time received, receivable, or otherwise distributed in respect of or in addition to, in substitution of, on account of, or in exchange for any or all of the foregoing.

(xlviii) "Pledged Interests Addendum" means a Pledged Interests Addendum substantially in the form of Exhibit C.

(xlix) "Pledged Notes" has the meaning specified therefor in Section 6(l).

(l) "Pledged Operating Agreements" means all of each Grantor's rights, powers, and remedies under the limited liability company operating agreements of each of the Pledged Companies that are limited liability companies, if any.

(li) "Pledged Partnership Agreements" means all of each Grantor's rights, powers, and remedies under the partnership agreements of each of the Pledged Companies that are partnerships, if any.

(lii) "Proceeds" has the meaning specified therefor in Section 3.

(liii) "PTO" means the United States Patent and Trademark Office.

(liv) "Real Property" means any estates or interests in real property now owned or hereafter acquired by any Grantor or any Subsidiary of any Grantor and the improvements thereto.

(lv) "Record" means information that is inscribed on a tangible medium or which is stored in an electronic or other medium and is retrievable in perceivable form.

(lvi) "Rescission" has the meaning specified therefor in Section 7(k).

(lvii) "Securities Account" means a securities account (as that term is defined in the Code).

(lviii) "Security Interest" has the meaning specified therefor in Section 3.

(lix) "Trademarks" means any and all trademarks, trade names, trade dress, registered trademarks, trademark applications, service marks, registered service marks and service mark applications (whether statutory or common law and whether established or registered in the Unites States or any other country or any political subdivision thereof), including (A) the trade names, registered trademarks, trademark applications, registered service marks and service mark applications listed on Schedule 6, (B) goodwill of the business symbolized thereby or connected with the use thereof and (C) all renewals thereof.

(lx) "Trademark Security Agreement" means each Trademark Security Agreement executed and delivered by Grantors, or any of them, and Agent, in substantially the form of Exhibit D.

(lxi) "URL" means "uniform resource locator," an internet web address.

(b) Unless the context of this Agreement clearly requires otherwise, references to the plural include the singular, references to the singular include the plural, the terms "includes" and "including" are not limiting, and the term "or" has, except where otherwise indicated, the inclusive meaning represented by the phrase "and/or." The words "hereof," "herein," "hereby," "hereunder," and similar terms in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. Section, subsection, clause, schedule, and exhibit references herein are to this Agreement unless otherwise specified. Any reference in this Agreement to any agreement, instrument, or document shall include all alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements, thereto and thereof, as applicable (subject to any restrictions on such alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements set forth herein or in the DIP Term Loan Credit Agreement). 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.

(c) Any reference herein to the satisfaction, repayment, or payment in full of the DIP Secured Obligations shall mean (i) the payment or repayment in full in immediately available funds in Dollars of (A) the principal amount of, and interest accrued with respect to, all outstanding DIP Loans, together with the payment of any premium applicable to the repayment of the DIP Loans, (B) all Lender Group Expenses that have accrued regardless of whether demand has been made therefor, (C) all fees or charges that have accrued hereunder or under any other DIP Loan Document, (ii) the receipt by Agent of cash collateral in order to secure any other contingent DIP Secured Obligations for which a claim or demand for payment has been made at such time or in respect of matters or circumstances known to Agent or a Lender at the time that are reasonably expected to result in any loss, cost, damage or expense (including reasonable out-of-pocket attorneys' fees and legal expenses), such cash collateral to be in such amount as Agent reasonably determines is appropriate to secure such contingent DIP Secured Obligations, (iii) the payment or repayment in full in immediately available funds of all other DIP Secured Obligations (as the case may be) other than, in each case of clauses (i) to (iii), Unasserted Contingent Indemnification Obligations, and (iv) the termination of all of the DIP Loan Commitments of the Lenders.

(d) Any reference herein to the satisfaction, repayment, or payment in full of the DIP Guarantied Obligations shall mean, in each case, solely with respect to DIP Facility Obligations (i) the payment or repayment in full in immediately available funds of (A) the principal amount of, and interest accrued with respect to, all outstanding DIP Loans, together with the payment of any premium applicable to the repayment of the DIP Loans, (B) all Lender Group Expenses that have accrued regardless of whether demand has been made therefor, (C) all fees or charges that have accrued hereunder or under any other DIP Loan Document (ii) the receipt by Agent of cash collateral in order to secure any other contingent DIP Guarantied Obligations for which a claim or demand for payment has been made at such time or in respect

of matters or circumstances known to Agent or a Lender at the time that are reasonably expected to result in any loss, cost, damage or expense (including attorneys' fees and legal expenses), such cash collateral to be in such amount as Agent reasonably determines is appropriate to secure such contingent DIP Guarantied Obligations, (iii) the payment or repayment in full in immediately available funds of all other DIP Guarantied Obligations other than, in each case of clauses (i) to (iii), Unasserted Contingent Indemnification Obligations, and (iv) the termination of all of the DIP Loan Commitments of the Lenders.

(e) All of the schedules and exhibits attached to this Agreement shall be deemed incorporated herein by reference.

2. Guaranty.

(a) In recognition of the direct and indirect benefits to be received by Guarantors from the proceeds of the DIP Loans and by virtue of the financial accommodations to be made to Borrower, each of the Guarantors, jointly and severally, hereby unconditionally and irrevocably guarantees as a primary obligor and not merely as a surety the full and prompt payment when due, whether upon maturity, acceleration, or otherwise, of all of the DIP Guarantied Obligations. If any or all of the DIP Facility Obligations becomes due and payable, each of the Guarantors, unconditionally and irrevocably, and without the need for demand, protest, or any other notice or formality, promises to pay such DIP Facility Obligations to Agent, for the benefit of the Lender Group, together with any and all Lender Group Expenses that may be incurred by Agent or any other member of the Lender Group in demanding, enforcing, or collecting any of the DIP Guarantied Obligations (including the enforcement of any collateral for such DIP Facility Obligations or any collateral for the obligations of the Guarantors under this Guaranty). If claim is ever made upon Agent or any other member of the Lender Group for repayment or recovery of any amount or amounts received in payment of or on account of any or all of the DIP Facility Obligations and any of Agent or any other member of the Lender Group repays all or part of said amount by reason of (i) any judgment, decree, or order of any court or administrative body having jurisdiction over such payee or any of its property, or (ii) any settlement or compromise of any such claim effected by such payee with any such claimant (including any Borrower or any Guarantor), then and in each such event, each of the Guarantors agrees that any such judgment, decree, order, settlement, or compromise shall be binding upon the Guarantors, notwithstanding any revocation (or purported revocation) of this Guaranty or other instrument evidencing any liability of any Grantor, and the Guarantors shall be and remain liable to the aforesaid payees hereunder for the amount so repaid or recovered to the same extent as if such amount had never originally been received by any such payee.

(b) Additionally, each of the Guarantors unconditionally and irrevocably guarantees the payment of any and all of the DIP Facility Obligations to Agent, for the benefit of the Lender Group, whether or not due or payable by any Loan Party upon the occurrence of any of the events specified in Section 8.4 or 8.5 of the DIP Term Loan Credit Agreement, and irrevocably and unconditionally promises to pay such indebtedness to Agent, for the benefit of the Lender Group, without the requirement of demand, protest, or any other notice or other formality, in lawful money of the United States.

(c) The liability of each of the Guarantors hereunder is primary, absolute, and unconditional, and is independent of any security for or other guaranty of the DIP Facility Obligations, whether executed by any other Guarantor or by any other Person, and the liability of each of the Guarantors hereunder shall not be affected or impaired by (i) any payment on, or in reduction of, any such other guaranty or undertaking (other than payment in full of the DIP Guarantied Obligations), (ii) any dissolution, termination, or increase, decrease, or change in personnel by any Grantor, (iii) any payment made to Agent or any other member of the Lender Group which Agent or such other member of the Lender Group repays to any Grantor pursuant to court order in any bankruptcy, reorganization, arrangement, moratorium or other debtor relief proceeding (or any settlement or compromise of any claim made in such a proceeding relating to such payment), and each of the Guarantors waives any right to the deferral or modification of its obligations hereunder by reason of any such proceeding, or (iv) any action or inaction by Agent or any other member of the Lender Group, or (v) any invalidity, irregularity, avoidability, or unenforceability of all or any part of the DIP Facility Obligations or of any security therefor.

(d) This Guaranty includes all present and future DIP Guarantied Obligations including any under transactions continuing, compromising, extending, increasing, modifying, releasing, or renewing the DIP Guarantied Obligations, changing the interest rate, payment terms, or other terms and conditions thereof, or creating new or additional DIP Guarantied Obligations after prior DIP Guarantied Obligations have been satisfied in whole or in part. To the maximum extent permitted by law, each Guarantor hereby waives any right to revoke this Guaranty as to future DIP Guarantied Obligations. If such a revocation is effective notwithstanding the foregoing waiver, each Guarantor acknowledges and agrees that (i) no such revocation shall be effective until written notice thereof has been received by Agent, (ii) no such revocation shall apply to any DIP Guarantied Obligations in existence on the date of receipt by Agent of such written notice (including any subsequent continuation, extension, or renewal thereof, or change in the interest rate, payment terms, or other terms and conditions thereof), (iii) no such revocation shall apply to any DIP Guarantied Obligations made or created after such date to the extent made or created pursuant to a legally binding commitment of any member of the Lender Group in existence on the date of such revocation, (iv) no payment by any Guarantor, any Borrower, or from any other source, prior to the date of Agent's receipt of written notice of such revocation shall reduce the maximum obligation of such Guarantor hereunder, and (v) any payment by any Borrower or from any source other than such Guarantor subsequent to the date of such revocation shall first be applied to that portion of the DIP Guarantied Obligations as to which the revocation is effective and which are not, therefore, guarantied hereunder, and to the extent so applied shall not reduce the maximum obligation of such Guarantor hereunder. This Guaranty shall be binding upon each Guarantor, its successors and assigns and inure to the benefit of and be enforceable by Agent (for the benefit of the Lender Group) and its successors, transferees, or permitted assigns.

(e) The guaranty by each of the Guarantors hereunder is a guaranty of payment and not of collection. The obligations of each of the Guarantors hereunder are independent of the obligations of any other Guarantor or Grantor or any other Person and a separate action or actions may be brought and prosecuted against one or more of the Guarantors whether or not action is brought against any other Guarantor or Grantor or any other Person and whether or not any other Guarantor or Grantor or any other Person be joined in any such action or actions. Each of the Guarantors waives, to the fullest extent permitted by law, the benefit of

any statute of limitations affecting its liability hereunder or the enforcement hereof. Any payment by any Grantor or other circumstance which operates to toll any statute of limitations as to any Grantor shall operate to toll the statute of limitations as to each of the Guarantors.

(f) Each of the Guarantors authorizes Agent and the other members of the Lender Group without notice or demand (except for such notices expressly agreed to be provided by Agent under the DIP Loan Documents), and without affecting or impairing its liability hereunder, from time to time to:

(i) change the manner, place, or terms of payment of, or change or extend the time of payment of, renew, increase, accelerate, or alter: (A) any of the DIP Facility Obligations (including any increase or decrease in the principal amount thereof or the rate of interest or fees thereon); or (B) any security therefor or any liability incurred directly or indirectly in respect thereof, and this Guaranty shall apply to the DIP Facility Obligations as so changed, extended, renewed, or altered;

(ii) take and hold security for the payment of the DIP Facility Obligations and sell, exchange, release, impair, surrender, realize upon, collect, settle, or otherwise deal with in any manner and in any order any property at any time pledged or mortgaged to secure the DIP Facility Obligations or any of the DIP Guarantied Obligations (including any of the obligations of all or any of the Guarantors under this Guaranty) incurred directly or indirectly in respect thereof or hereof, or any offset on account thereof;

(iii) exercise or refrain from exercising any rights against any Grantor;

(iv) release or substitute any one or more endorsers, guarantors, any Grantor, or other obligors;

(v) settle or compromise any of the DIP Facility Obligations, any security therefor, or any liability (including any of those of any of the Guarantors under this Guaranty) incurred directly or indirectly in respect thereof or hereof, and may subordinate the payment of all or any part thereof to the payment of any liability (whether due or not) of any Grantor to its creditors;

(vi) apply any sums by whomever paid or however realized to any liability or liabilities of any Grantor to Agent or any other member of the Lender Group regardless of what liability or liabilities of such Grantor remain unpaid;

(vii) consent to or waive any breach of, or any act, omission, or default under, this Agreement, any other DIP Loan Document or any of the instruments or agreements referred to herein or therein, or otherwise amend, modify, or supplement this Agreement, any other DIP Loan Document or any of such other instruments or agreements; or

(viii) take any other action that could, under otherwise applicable principles of law, give rise to a legal or equitable discharge of one or more of the Guarantors from all or part of its liabilities under this Guaranty.

(g) It is not necessary for Agent or any other member of the Lender Group to inquire into the capacity or powers of any of the Guarantors or the officers, directors, partners or agents acting or purporting to act on their behalf, and any DIP Facility Obligations made or created in reliance upon the professed exercise of such powers shall be guaranteed hereunder.

(h) Each Guarantor jointly and severally guarantees that the DIP Guarantied Obligations will be paid strictly in accordance with the terms of the DIP Loan Documents, regardless of any law, regulation, or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of any member of the Lender Group with respect thereto. The obligations of each Guarantor under this Guaranty are independent of the DIP Guarantied Obligations, and a separate action or actions may be brought and prosecuted against each Guarantor to enforce such obligations, irrespective of whether any action is brought against any other Guarantor or whether any other Guarantor is joined in any such action or actions. The liability of each Guarantor under this Guaranty shall be absolute and unconditional irrespective of, and each Guarantor hereby irrevocably waives, to the fullest extent permitted by applicable law, any defense (other than a defense of payment in full of the DIP Guarantied Obligations) it may now or hereafter have in any way relating to, any or all of the following:

(i) any lack of validity or enforceability of any DIP Loan Document or any agreement or instrument relating thereto;

(ii) any change in the time, manner, or place of payment of, or in any other term of, all or any of the DIP Guarantied Obligations, or any other amendment or waiver, supplement, restatement, extension, novation, renewal, replacement or continuation of or any consent to departure from any DIP Loan Document, including any increase in the DIP Guarantied Obligations resulting from the extension of additional credit;

(iii) any taking, exchange, release, or non-perfection of any DIP Lien in and to any DIP Collateral, or any taking, release, amendment, waiver of, or consent to departure from any other guaranty, for all or any of the DIP Guarantied Obligations;

(iv) the existence of any claim, set-off, defense (other than payment in full of the DIP Guarantied Obligations), or other right that any Guarantor may have at any time against any Person, including Agent or any other member of the Lender Group;

(v) any defense, set-off, counterclaim, or claim, of any kind or nature, arising directly or indirectly from the present or future lack of perfection, sufficiency, validity, or enforceability of the DIP Guarantied Obligations or any security therefor;

(vi) any right or defense arising by reason of any claim or defense based upon an election of remedies by any member of the Lender Group including any defense based upon an impairment or elimination of such Guarantor's rights of subrogation, reimbursement, contribution, or indemnity of such Guarantor against any other Grantor or any guarantors or sureties;

(vii) any change, restructuring, or termination of the corporate, limited liability company, or partnership structure or existence of any Grantor; or

(viii) any other circumstance that might otherwise constitute a defense available to, or a discharge of, any Grantor or any other Guarantor or surety (other than a defense of payment in full of the DIP Guarantied Obligations).

(i) Waivers:

(i) Each of the Guarantors waives (to the fullest extent permitted by applicable law) any right (except as shall be required by applicable statute or law and cannot be waived) to require Agent or any other member of the Lender Group to (i) proceed against any other Grantor or any other Person, (ii) proceed against or exhaust any security held from any other Grantor or any other Person, or (iii) protect, secure, perfect, or insure any security interest or DIP Lien on any property subject thereto or exhaust any right to take any action against any other Grantor, any other Person, or any collateral, or (iv) pursue any other remedy in any member of the Lender Group's power whatsoever. Each of the Guarantors waives, to the fullest extent permitted by applicable law, any defense based on or arising out of any defense of any Grantor or any other Person, other than payment of the DIP Facility Obligations to the extent of such payment, based on or arising out of the disability of any Grantor or any other Person, or the validity, legality, or unenforceability of the DIP Facility Obligations or any part thereof from any cause, or the cessation from any cause of the liability of any Grantor other than payment of the DIP Facility Obligations to the extent of such payment. Agent may, at the election of the Required Lenders, foreclose upon any DIP Collateral held by Agent by one or more judicial or nonjudicial sales or other dispositions, whether or not every aspect of any such sale is commercially reasonable or otherwise fails to comply with applicable law or may exercise any other right or remedy Agent or any other member of the Lender Group may have against any Grantor or any other Person, or any security, in each case, without affecting or impairing in any way the liability of any of the Guarantors hereunder except to the extent the DIP Facility Obligations have been paid.

(ii) Each of the Guarantors waives all presentments, demands for performance, protests and notices, including notices of nonperformance, notices of protest, notices of dishonor, notices of acceptance of this Guaranty, and notices of the existence, creation, or incurring of new or additional DIP Facility Obligations or other financial accommodations. Each of the Guarantors waives notice of any Default or Event of Default under any of the DIP Loan Documents. Each of the Guarantors assumes all responsibility for being and keeping itself informed of each Grantor's financial condition and assets and of all other circumstances bearing upon the risk of nonpayment of the DIP Facility Obligations and the nature, scope, and extent of the risks which each of the Guarantors assumes and incurs hereunder, and agrees that neither Agent nor any of the other members of the Lender Group shall have any duty to advise any of the Guarantors of information known to them regarding such circumstances or risks.

(iii) To the fullest extent permitted by applicable law, each Guarantor hereby waives: (A) any right to assert against any member of the Lender Group, any defense (legal or equitable) (other than the defense that all of the DIP Guarantied Obligations have been paid in full), set-off, counterclaim, or claim which each Guarantor may now or at any time hereafter have against any Borrower or any other party liable to any member of the Lender Group; (B) any defense, set-off, counterclaim, or claim, of any kind or nature, arising directly or indirectly from the present or future lack of perfection, sufficiency, validity, or enforceability of the DIP Guarantied Obligations or any security therefor; (C) any right or defense arising by reason of any

claim or defense based upon an election of remedies by any member of the Lender Group including any defense based upon an impairment or elimination of such Guarantor's rights of subrogation, reimbursement, contribution, or indemnity of such Guarantor against any Borrower or other guarantors or sureties; and (D) the benefit of any statute of limitations affecting such Guarantor's liability hereunder or the enforcement thereof, and any act which shall defer or delay the operation of any statute of limitations applicable to the DIP Guarantied Obligations shall similarly operate to defer or delay the operation of such statute of limitations applicable to such Guarantor's liability hereunder.

(iv) No Guarantor will exercise any rights that it may now or hereafter acquire against any Grantor or any other guarantor that arise from the existence, payment, performance or enforcement of such Guarantor's obligations under this Guaranty, including any right of subrogation, reimbursement, exoneration, contribution or indemnification and any right to participate in any claim or remedy of Agent or any other member of the Lender Group against any Grantor or any other guarantor or any DIP Collateral, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, including the right to take or receive from any Grantor or any other guarantor, directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security solely on account of such claim, remedy or right, unless and until all of the DIP Guarantied Obligations and all other amounts payable under this Guaranty shall have been paid in full and all of the DIP Loan Commitments have been terminated. If any amount shall be paid to any Guarantor in violation of the immediately preceding sentence, such amount shall be held in trust for the benefit of Agent, for the benefit of the Lender Group, and shall forthwith be paid to Agent to be credited and applied to the DIP Guarantied Obligations and all other amounts payable under this Guaranty, whether matured or unmatured, in accordance with the terms of the DIP Term Loan Credit Agreement, or to be held as DIP Collateral for any DIP Guarantied Obligations or other amounts payable under this Guaranty thereafter arising. Notwithstanding anything to the contrary contained in this Guaranty, no Guarantor may exercise any rights of subrogation, contribution, indemnity, reimbursement or other similar rights against, and may not proceed or seek recourse against or with respect to any property or asset of, any other Grantor (the "Foreclosed Grantor"), including after payment in full of the DIP Guarantied Obligations, if all or any portion of the DIP Facility Obligations have been satisfied in connection with an exercise of remedies in respect of the Equity Interests of such Foreclosed Grantor whether pursuant to this Agreement or otherwise.

(v) Each of the Guarantors represents, warrants, and agrees that each of the waivers set forth above is made with full knowledge of its significance and consequences and that if any of such waivers are determined to be contrary to any applicable law or public policy, such waivers shall be effective to the maximum extent permitted by law.

(j) Upon payment in full of the DIP Guarantied Obligations, the Guaranty made hereby shall automatically terminate.

3. Grant of Security. Each Grantor hereby grants and pledges to Agent for the benefit of each member of the Lender Group, to secure the DIP Secured Obligations, a continuing security interest (hereinafter referred to as the "Security Interest") in all of such Grantor's right, title, and interest in and to the following, whether now owned or hereafter acquired or arising and wherever located (the "DIP Collateral"):

(a) all of such Grantor's Accounts;

(b) all of such Grantor's Books;

(c) all of such Grantor's Chattel Paper;

(d) all of such Grantor's Commercial Tort Claims;

(e) all of such Grantor's Deposit Accounts;

(f) all of such Grantor's Equipment;

(g) all of such Grantor's Farm Products;

(h) all of such Grantor's Fixtures;

(i) all of such Grantor's General Intangibles (including Intellectual Property (together with any income, fees, royalties, damages and payments now and hereafter due and/or payable thereunder and with respect thereto, including damages, claims and payments for past, present or future infringements thereof, and rights to sue for past, present and future infringements thereof) and Intellectual Property Licenses);

(j) all of such Grantor's Inventory;

(k) all of such Grantor's Investment Property;

(l) all of such Grantor's Negotiable DIP Collateral;

(m) all of such Grantor's Pledged Interests (including all of such Grantor's Pledged Intercompany Notes, Pledged Operating Agreements and Pledged Partnership Agreements);

(n) all of such Grantor's Securities Accounts;

(o) all of such Grantor's DIP Supporting Obligations;

(p) all of such Grantor's money, Cash Equivalents, or other assets of such Grantor that now or hereafter come into the possession, custody, or control of Agent (or its agent or designee) or any other member of the Lender Group;

(q) all present and future claims, rights, interests, assets and properties recovered by or on behalf of such Grantor or any trustee of any Grantor (whether in the Chapter 11 Cases or any subsequent case to which any Chapter 11 Case is converted), including, without limitation, all such property recovered as a result of transfers or obligations avoided or actions maintained or taken pursuant to, inter alia, Sections 542, 544, 545, 547, 548, 549, 550, 552 and 553 of the Bankruptcy Code, subject to the terms of the DIP Orders; and

(r) all of the proceeds (as such term is defined in the Code) and products, whether tangible or intangible, of any of the foregoing, including proceeds of insurance or

Commercial Tort Claims covering or relating to any or all of the foregoing, and any and all Accounts, Books, Chattel Paper, Deposit Accounts, Equipment, Fixtures, General Intangibles, Inventory, Investment Property, Negotiable DIP Collateral, Pledged Interests, Securities Accounts, DIP Supporting Obligations, money, or other tangible or intangible property resulting from the sale, lease, license, exchange, collection, or other disposition of any of the foregoing, the proceeds of any award in condemnation with respect to any of the foregoing, any rebates or refunds, whether for taxes or otherwise, and all proceeds of any such proceeds, or any portion thereof or interest therein, and the proceeds thereof, and all proceeds of any loss of, damage to, or destruction of the above, whether insured or not insured, and, to the extent not otherwise included, any indemnity, warranty, or guaranty payable by reason of loss or damage to, or otherwise with respect to any of the foregoing (the "Proceeds"). Without limiting the generality of the foregoing, the term "Proceeds" includes whatever is receivable or received when Investment Property or proceeds are sold, exchanged, collected, or otherwise disposed of, whether such disposition is voluntary or involuntary, and includes proceeds of any indemnity or guaranty payable to any Grantor or Agent from time to time with respect to any of the Investment Property.

Notwithstanding anything contained in this Agreement to the contrary, the term "DIP Collateral" and any defined term used therein shall not include, and the Security Interest shall not attach to, the following property (such property, the "Excluded DIP Collateral"): (i) voting Equity Interests of any first-tier CFC or US Foreign Holdco, to the extent that such Equity Interests represent more than 65% of the outstanding voting Equity Interests of such first-tier CFC or US Foreign Holdco or any of the Equity Interest of a CFC or US Foreign Holdco that is owned by another CFC or US Foreign Holdco; (ii) any of the assets of any CFC or any US Foreign Holdco; (iii) any rights or interest in any General Intangible, contract, lease, permit, license, or license agreement covering real or personal property of any Grantor, including Intellectual Property Licenses, if under the terms of such General Intangible, contract, lease, permit, license, or license agreement, or applicable law with respect thereto, the grant of a security interest or lien therein is prohibited as a matter of law or under the terms of such General Intangible, contract, lease, permit, license, or license agreement (or the grant of a security interest or lien therein would invalidate such General Intangible, contract, lease, permit, license, or license agreement or breach, default or create a right of termination in favor of any other party thereto) and such prohibition or restriction has not been waived or the consent of the other party to such General Intangible, contract, lease, permit, license, or license agreement has not been obtained (provided, that, (A) the foregoing exclusions of this paragraph shall in no way be construed (1) to apply to the extent that any described prohibition or restriction is ineffective under Section 9-406, 9-407, 9-408, or 9-409 of the Code or other applicable law, or (2) to apply to the extent that any consent or waiver has been obtained that would permit Agent's Security Interest or lien to attach notwithstanding the prohibition or restriction on the pledge of such General Intangible, contract, lease, permit, license, or license agreement, (B) the foregoing exclusions of this clause (iii) shall in no way be construed to limit, impair, or otherwise affect any of Agent's or any other member of the Lender Group's continuing security interests in and liens upon any rights or interests of any Grantor in or to (1) monies due or to become due under or in connection with any described General Intangible, contract, lease, permit, license, license agreement (including any Accounts or Equity Interests), or (2) any proceeds from the sale, license, lease, or other dispositions of any such General Intangible, contract, lease, permit,

license, license agreement (including any Equity Interests), (C) with respect to assets with a fair market value in excess of $3,750,000 in the aggregate or otherwise material to the business or operations of the Grantors, taken as a whole (such assets, "material assets"), the Grantors shall use commercially reasonable efforts (not involving expending money in excess of de minimis amounts) to obtain any applicable consent or waiver of such prohibition and (D) with respect to any lease, license or other agreement or arrangement entered into after the date of this Agreement, the Grantors shall use commercially reasonable efforts (not involving expending money in excess of de minimis amounts) to not enter into such prohibitions); (iv) any United States intent-to-use trademark applications for which an amendment to allege use or a statement of use has not been filed and accepted by the PTO, to the extent that, and solely during the period in which, the grant, attachment or perfection of a security interest therein would impair the validity or enforceability of such intent-to-use trademark applications under applicable federal law, provided that upon submission and acceptance by the PTO of an amendment to allege use or a statement of use pursuant to 15 U.S.C. Section 1051(c) or (d) (or any successor provision), such intent-to-use trademark application shall be considered DIP Collateral; (v) any Equipment or Fixture of a Grantor that is subject to a perfected DIP Lien that constitutes a Permitted Lien under clause (f) of the definition of "Permitted Lien" if and for so long as the grant of a security interest therein to Agent in such Equipment or Fixture shall constitute or result in a breach or termination pursuant to the terms of, or a default under, the agreement entered into in connection with such Permitted Lien on such Equipment or Fixture, provided however that such security interest shall attach immediately at such time as the term restricting the attachment of a security interest in such Equipment or Fixture is no longer operative or the attachment of a security interest in such Equipment or Fixture would not constitute or result in a breach or termination pursuant to the terms of, or a default under, such agreement; (vi) Equity Interests in Unrestricted Subsidiaries; (vii) those assets as to which the Agent reasonably agrees that the costs of obtaining a security interest therein or perfection thereof are excessive in relation to the benefit to the Lender Group of the security to be afforded thereby; (viii) Excluded Deposit Accounts and Securities Accounts and (ix) interests in partnerships, joint ventures and non-wholly-owned subsidiaries which cannot be pledged without the consent of one or more third parties (provided, that, (A) the foregoing exclusions of this clause (ix) shall in no way be construed (1) to apply to the extent that any described prohibition or restriction is ineffective under Section 9-406, 9-407, 9-408, or 9-409 of the Code or other applicable law, or (2) to apply to the extent that any consent or waiver has been obtained that would permit Agent's Security Interest or lien to attach notwithstanding the prohibition or restriction on the pledge of such interests, (B) the foregoing exclusions of this clause (ix) shall in no way be construed to limit, impair, or otherwise affect any of Agent's, any other member of the Lender Group's continuing security interests in and liens upon any rights or interests of any Grantor in or to (1) monies due or to become due under or in connection with any described interests (including any Accounts or Equity Interests), or (2) any proceeds from the sale, license, lease, or other dispositions of any such interests (including any Equity Interests), (C) with respect to material assets, the Grantors shall use commercially reasonable efforts (not involving expending money in excess of de minimis amounts) to obtain any applicable consent or waiver of such prohibition and (D) with respect to any such interests acquired after the date of this Agreement, the Grantors shall use commercially reasonable efforts (not involving expending money in excess of de minimis amounts) to not enter into such prohibitions).

4. Security for DIP Secured Obligations . The Security Interest created hereby secures the payment and performance of the DIP Secured Obligations , whether now existing or arising hereafter. Without limiting the generality of the foregoing, this Agreement secures the payment of all amounts which constitute part of the DIP Secured Obligations and would be owed by Grantors, or any of them, to Agent, the Lender Group or any of them, but for the fact that they are unenforceable or not allowable (in whole or in part) as a claim in an Insolvency Proceeding involving any Grantor due to the existence of such Insolvency Proceeding.

5. Grantors Remain Liable. Anything herein to the contrary notwithstanding, (a) each of the Grantors shall remain liable under the contracts and agreements included in the DIP Collateral, including the Pledged Operating Agreements, the Pledged Partnership Agreements and the Pledged Intercompany Notes, to perform all of the duties and obligations thereunder to the same extent as if this Agreement had not been executed, (b) the exercise by Agent or any other member of the Lender Group of any of the rights hereunder shall not release any Grantor from any of its duties or obligations under such contracts and agreements included in the DIP Collateral, and (c) none of the members of the Lender Group shall have any obligation or liability under such contracts and agreements included in the DIP Collateral by reason of this Agreement, nor shall any of the members of the Lender Group be obligated to perform any of the obligations or duties of any Grantors thereunder or to take any action to collect or enforce any claim for payment assigned hereunder. Unless an Event of Default has occurred and is continuing and Agent has provided the requisite notice to the Grantors pursuant to this Agreement, except as otherwise provided in this Agreement, the DIP Term Loan Credit Agreement, or any other DIP Loan Document, Grantors shall have the right to possession and enjoyment of the DIP Collateral for the purpose of conducting the ordinary course of their respective businesses, subject to and upon the terms hereof and of the DIP Term Loan Credit Agreement, the other DIP Loan Documents and the DIP Orders. Without limiting the generality of the foregoing, it is the intention of the parties hereto that record and beneficial ownership of the Pledged Interests, including all voting, consensual, dividend, and distribution rights, shall remain in the applicable Grantor until (i) the occurrence and continuance of an Event of Default and (ii) Agent has notified the applicable Grantor in writing of Agent's election to exercise such rights with respect to the Pledged Interests in accordance with Section 16.

6. Representations and Warranties. In order to induce Agent to enter into this Agreement for the benefit of the Lender Group, each Grantor makes the following representations and warranties to the Lender Group which shall be true, correct, and complete, in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof), as of the date of this Agreement, and shall be true, correct, and complete, in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof), as of the date of the making of each DIP Loan (or other extension of credit) made thereafter, as though made on and as of the date of such DIP Loan (or other extension of credit) (except to the extent that such representations and warranties relate solely to an earlier date, in which case such representations and warranties shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) as of such earlier date) and such representations and warranties shall survive the execution and delivery of this Agreement:

(a) The name (within the meaning of Section 9-503 of the Code) and jurisdiction of organization of each Grantor and each of its Subsidiaries is set forth on Schedule 7 (as such Schedule may be updated from time to time to reflect changes resulting from transactions permitted under the DIP Loan Documents).

(b) The chief executive office of each Grantor is located at the address indicated on Schedule 7 (as such Schedule may be updated from time to time to reflect changes resulting from transactions permitted under the DIP Loan Documents).

(c) Each Grantor's tax identification numbers and organizational identification numbers in each case, if any, are identified on Schedule 7 (as such Schedule may be updated from time to time to reflect changes resulting from transactions permitted under the DIP Loan Documents).

(d) As of the date of this Agreement, no Grantor holds any commercial tort claims that has a likelihood of recovery in excess of $315,000 in amount, except as set forth on Schedule 1.

(e) Set forth on Schedule 9 is a listing, as of the date of this Agreement, of all of Grantors' and their Subsidiaries' Deposit Accounts and Securities Accounts, including, with respect to each bank or securities intermediary (a) the name and address of such Person, and (b) the account numbers of the Deposit Accounts or Securities Accounts maintained with such Person.

(f) Schedule 8 sets forth all Real Property owned by any of the Grantors as of the date of this Agreement.

(g) As of the date of this Agreement: (i) Schedule 2 provides a complete and correct list of all registered Copyrights owned by any Grantor and all applications for registration of United States or Canadian Copyrights owned by any Grantor; (ii) Schedule 3 provides a complete and correct list of all Intellectual Property Licenses entered into by any Grantor pursuant to which any Person has granted to any Grantor any license or other rights in Intellectual Property owned or controlled by such Person that is material to the business of such Grantor, including any such Intellectual Property that is incorporated in any Inventory, software, or other product marketed, sold, licensed, or distributed by such Grantor (but excluding licenses of commercially available off-the-shelf software programs); (iii) Schedule 4 provides a complete and correct list of all issued United States or Canadian Patents owned by any Grantor and all applications for United States or Canadian Patents owned by any Grantor; and (iv) Schedule 6 provides a complete and correct list of all registered United States or Canadian Trademarks owned by any Grantor, and all applications for registration of Unites States or Canadian Trademarks owned by any Grantor.

(h) Except as set forth on Schedule 6(h),

(i) to each Grantor's knowledge, each Grantor owns exclusively, has the right to use or holds licenses in, all Intellectual Property that is necessary and material to the conduct of its business;

(ii) to each Grantor's knowledge, no Person is currently infringing or misappropriating any Intellectual Property rights owned by such Grantor that is necessary and material to the conduct of its business that is, or reasonably expected to have, a Material Adverse Effect;

(iii) (A) to each Grantor's knowledge, such Grantor is not currently (and the conduct of such Grantor's business is not currently) infringing or misappropriating any Intellectual Property rights of any Person, in each case, except where such infringement or misappropriation either individually or in the aggregate could not reasonably be expected to result in a Material Adverse Effect, and (B) there are no infringement or misappropriation claims or proceedings pending against any Grantor, and no Grantor has received any written notice or written communication, within the previous three (3) years, of any actual or alleged infringement or misappropriation by any Grantor of any Intellectual Property rights of any Person, in each case, except where such infringement or misappropriation claims either individually or in the aggregate could not reasonably be expected to result in a Material Adverse Effect; and

(iv) to each Grantor's knowledge and except as otherwise set forth on Schedule 2, Schedule 4 or Schedule 6, as applicable, all registered Copyrights, registered Trademarks and issued Patents that are owned by such Grantor and material to the conduct of its business are subsisting and a Grantor has made or performed all filings and payments and other actions that are required, in such Grantor's reasonable business judgment, to maintain such Intellectual Property in full force and effect.

(i) This Agreement and the DIP Orders create a valid security interest in the DIP Collateral of each Grantor. Pursuant to the terms of the DIP Orders, no filing or other action will be necessary to perfect or protect such security interests, provided that the Agent may, in its discretion, undertake all filings and other actions to protect such security interest, including filings in the jurisdictions listed next to such Grantor's name on Schedule 11. Upon the entry of the DIP Orders, Agent shall have a first priority perfected security interest in the DIP Collateral of each Grantor (subject to the Carve Out and Permitted Priority Liens).

(j) (i) Except for the Security Interest created hereby, each Grantor is and will at all times (unless otherwise permitted by the DIP Term Loan Credit Agreement) be the sole holder of record and the legal and beneficial owner, free and clear of all Liens other than Permitted Liens, of the Pledged Interests indicated on Schedule 5 as being owned by such Grantor and, when acquired by such Grantor, any Pledged Interests acquired after the date of this Agreement; (ii) all of the Pledged Interests are duly authorized, validly issued, fully paid and nonassessable, as applicable, and the Pledged Interests constitute or will constitute the percentage of the issued and outstanding Equity Interests of the Pledged Companies of such Grantor identified on Schedule 5 as supplemented or modified by any Pledged Interests Addendum or any Joinder to this Agreement; (iii) such Grantor has the right and requisite authority to pledge, the Investment Property pledged by such Grantor to Agent as provided herein; (iv) all actions necessary or desirable to perfect and establish the first priority of, or otherwise protect, Agent's DIP Liens (subject to Permitted Liens) in the Investment Property pledged by such Grantor to Agent as provided herein, and the proceeds thereof, have been duly taken, upon (A) the execution and delivery of this Agreement; (B) the taking of possession by Agent (or its agent or designee) of any certificates representing the Pledged Interests, to the

extent such Pledged Interests are represented by certificates, together with undated powers (or other documents of transfer reasonably acceptable to Agent) endorsed in blank by the applicable Grantor; (C) the entry of the DIP Orders, and to the extent the Agent deems advisable the filing of financing statements in the applicable jurisdiction set forth on Schedule 11 for such Grantor with respect to the Pledged Interests of such Grantor that are not represented by certificates, (D) with respect to any Securities Accounts (other than Excluded Deposit Accounts and Securities Accounts), the delivery of Control Agreements with respect thereto and (E) with respect to the Pledged Intercompany Notes, the taking of possession by Agent (or its agent or designee) thereof; and (v) each Grantor has delivered to and deposited with Agent (or, with respect to any Pledged Interests or Pledged Intercompany Notes created or obtained after the date of this Agreement, will deliver and deposit in accordance with Sections 7(a) and 9 hereof) all certificates representing the Pledged Interests owned by such Grantor to the extent such Pledged Interests are represented by certificates, and undated powers (or other documents of transfer reasonably acceptable to Agent) endorsed in blank with respect to such certificates, and has delivered all Pledged Intercompany Notes to Agent. None of the Pledged Interests owned or held by such Grantor has been issued or transferred in violation of any securities registration, securities disclosure, or similar laws of any jurisdiction to which such issuance or transfer may be subject.

(k) Subject to the entry of the DIP Orders, no consent, approval, authorization, or other order or other action by, and no notice to or filing with, any Governmental Authority or any other Person is required (i) for the grant of a Security Interest by such Grantor in and to the DIP Collateral pursuant to this Agreement or for the execution, delivery, or performance of this Agreement by such Grantor, or (ii) for the exercise by Agent of the voting or other rights provided for in this Agreement with respect to the Investment Property or the remedies in respect of the DIP Collateral pursuant to this Agreement, except as may be required in connection with such disposition of Investment Property by laws affecting the offering and sale of securities generally and except for consents, approvals, authorizations, or other orders or actions that have been obtained or given (as applicable) and that are still in force.

7. Covenants. Each Grantor, jointly and severally, covenants and agrees with Agent that from and after the date of this Agreement and until the date of termination of this Agreement in accordance with Section 23:

(a) Possession of DIP Collateral. In the event that any DIP Collateral, including Proceeds, is evidenced by or consists of Negotiable DIP Collateral (other than checks received in the ordinary course of business and promptly deposited in a Deposit Account of a Grantor in accordance with customary practices), certificated Investment Property, or Chattel Paper, in each case, having an aggregate value or face amount of $315,000 or more for all such Negotiable DIP Collateral, Investment Property, or Chattel Paper, the Grantors shall within five (5) Business Days of the acquisition thereof (or such longer period as agreed to by Agent), notify Agent thereof, and if and to the extent that perfection or priority of Agent's Security Interest is dependent on or enhanced by possession, the applicable Grantor, within five (5) Business Days (or such longer period as reasonably agreed to by Agent) after written request by Agent, shall execute such other documents and instruments as shall be reasonably requested in writing by Agent or, if applicable, endorse and deliver physical possession of such Negotiable DIP Collateral, Investment Property, or Chattel Paper to Agent, together with such undated powers

(or other relevant document of transfer acceptable to Agent) endorsed in blank as shall be reasonably requested in writing by Agent, and shall do such other acts reasonably deemed necessary or desirable by Agent to protect Agent's Security Interest therein;

(b) Chattel Paper.

(i) Within five (5) Business Days (or such longer period as agreed to by Agent) after written request by Agent, each Grantor shall take all steps reasonably necessary to grant Agent control of all electronic Chattel Paper in accordance with the Code and all "transferable records" as that term is defined in Section 16 of the Uniform Electronic Transaction Act and Section 201 of the federal Electronic Signatures in Global and National Commerce Act as in effect in any relevant jurisdiction, to the extent that the aggregate value or face amount of such electronic Chattel Paper equals or exceeds $315,000;

(ii) [Reserved];

(c) Control Agreements.

(i) Except to the extent otherwise excused by Section 7(k)(i), each Grantor shall obtain an authenticated Control Agreement (which may include a Controlled Account Agreement) from each bank maintaining a Deposit Account or Securities Account for such Grantor (other than with respect to Excluded Deposit Accounts and Securities Accounts) including, without limitation, in respect of the TL Deposit Account subject to Section 5.19 of the DIP Term Loan Credit Agreement;

(ii) Except to the extent otherwise excused by Section 7(k)(i), each Grantor shall obtain an authenticated Control Agreement from each issuer of uncertificated securities (other than with respect to uncertificated securities which constitute Excluded DIP Collateral), securities intermediary, or commodities intermediary issuing or holding any financial assets or commodities to or for any Grantor, or maintaining a Securities Account for such Grantor (other than with respect to Excluded Deposit Accounts and Securities Accounts); and

(iii) Except to the extent otherwise provided in Sections 7(a) or 7(k)(i), each Grantor shall obtain an authenticated Control Agreement with respect to all of such Grantor's Investment Property, except for any such Investment Property which constitutes a General Intangible or Excluded DIP Collateral;

(d) Letter-of-Credit Rights. If the Grantors (or any of them) are or become the beneficiary of letters of credit having a face amount or value of $315,000 or more in the aggregate, then the applicable Grantor or Grantors shall within five (5) Business Days (or such longer period as agreed to by Agent), notify Agent thereof and, promptly after written request by Agent, such Grantor or Grantors shall use commercially reasonable efforts to enter into a tri-party agreement with Agent and the issuer or confirming bank with respect to letter-of-credit rights assigning such letter-of-credit rights to Agent and directing all payments thereunder to Agent's Account, all in form and substance reasonably satisfactory to Agent;

(e) Commercial Tort Claims. If the Grantors (or any of them) obtain Commercial Tort Claims having a value, or involving an asserted claim, in the amount of $315,000 or more in the aggregate for all Commercial Tort Claims, then the applicable Grantor or Grantors shall promptly (and in any event within five (5) Business Days of obtaining such Commercial Tort Claim), notify Agent upon incurring or otherwise obtaining such Commercial Tort Claims and, promptly (and in any event within five (5) Business Days) after written request by Agent (or such longer period as agreed to by Agent), amend Schedule 1 to describe such Commercial Tort Claims in a manner that reasonably identifies such Commercial Tort Claims and which is otherwise reasonably satisfactory to Agent, and hereby authorizes the filing of additional financing statements or amendments to existing financing statements describing such Commercial Tort Claims, and agrees to do such other acts or things reasonably deemed necessary or desirable by Agent to give Agent a first priority, perfected security interest in any such Commercial Tort Claim, subject to Permitted Liens;

(f) Government Contracts. Other than Accounts and Chattel Paper the aggregate value of which does not at any one time exceed $625,000, if any Account or Chattel Paper arises out of a contract or contracts with the United States of America or any department, agency, or instrumentality thereof, Grantors shall promptly (and in any event within five (5) Business Days of the creation thereof or such longer period as reasonably agreed to by Agent) notify Agent thereof and, promptly (and in any event within five (5) Business Days) after request by Agent, execute any instruments or take any steps reasonably required by Agent in order that all moneys due or to become due under such contract or contracts shall be assigned to Agent, for the benefit of the Lender Group, and, after written request by Agent, shall provide written notice thereof under the Assignment of Claims Act or other applicable law;

(g) Intellectual Property.

(i) Upon the written request of Agent, in order to facilitate filings with the PTO and the United States Copyright Office, each Grantor shall execute and deliver to Agent one or more Copyright Security Agreements, Trademark Security Agreements, or Patent Security Agreements to further evidence Agent's DIP Lien on such Grantor's issued or applied-for Patents, registered or applied-for Trademarks, or applied-for Copyrights, in each case that do not constitute Excluded DIP Collateral;

(ii) Each Grantor shall, subject to its reasonable business judgment, with respect to Intellectual Property that is now owned or later becomes owned by such Grantor that is material to the conduct of such Grantor's business, protect and enforce and defend at such Grantor's expense such material Intellectual Property, including, subject to its reasonable business judgment, (A) to enforce and defend, by promptly suing for infringement, misappropriation, or dilution and to recover any and all damages for such infringement, misappropriation, or dilution, and filing opposition, interference, and cancellation of proceedings against conflicting Intellectual Property rights of any Person, (B) to prosecute diligently any trademark application or service mark application that is material to the conduct of any Grantor's business pending as of the date hereof or hereafter until the termination of this Agreement, (C) to prosecute diligently any patent application that is material to the conduct of any Grantor's business pending as of the date hereof or hereafter until the termination of this Agreement, and (D) to take reasonable and necessary action to preserve and maintain all of such Grantor's registered Trademarks, issued Patents and

registered Copyrights that are material to the conduct of any Grantor's business, and its rights therein, including paying all maintenance fees and filing of applications for renewal, affidavits of use, and affidavits of noncontestability. Each Grantor further agrees not to knowingly abandon any material Intellectual Property owned by such Grantor or material Intellectual Property License to which such Grantor is a party that, in such Grantor's reasonable business judgment, is necessary in the conduct of such Grantor's business;

(iii) Grantors acknowledge and agree that the Lender Group shall have no duties with respect to any Intellectual Property or Intellectual Property Licenses of any Grantor. Without limiting the generality of this Section 7(g)(iii), Grantors acknowledge and agree that no member of the Lender Group shall be under any obligation to take any steps necessary to preserve rights in the DIP Collateral consisting of Intellectual Property or Intellectual Property Licenses against any other Person, but any member of the Lender Group may do so at its option from and after the occurrence and during the continuance of an Event of Default, and all expenses incurred in connection therewith (including reasonable fees and expenses of attorneys and other professionals) shall be for the sole account of the Borrower;

(iv) [Intentionally Omitted].

(v) On a quarterly basis with the delivery of a Compliance Certificate pursuant to Section 5.2 of the DIP Term Loan Credit Agreement (or, if an Event of Default has occurred and is continuing, more frequently if requested by Agent), each Grantor shall provide Agent with a written report of all new Patents, Trademarks or Copyrights that are registered or the subject of pending applications for registrations, and of all Intellectual Property Licenses (but excluding licenses of off-the-shelf commercially available software programs), that are material to the conduct of such Grantor's business, in each case, which would not be considered Excluded DIP Collateral and which were acquired, registered, or for which applications for registration were filed by any Grantor during such fiscal quarter and copies of any statement of use or amendment to allege use with respect to intent to use trademark applications. In the case of such registrations or applications therefor, which were acquired by any Grantor from another Person, each such Grantor shall file the necessary documents with the appropriate Governmental Authority in the United States identifying the applicable Grantor as the owner (or as a co-owner thereof, if such is the case) of such Intellectual Property. In each of the foregoing cases, the applicable Grantor shall promptly cause to be prepared, executed, and delivered to Agent supplemental schedules to the applicable DIP Loan Documents to identify such Patent, Trademark and Copyright registrations and applications therefor and Intellectual Property Licenses, in each case to the extent not constituting Excluded DIP Collateral, as being subject to the security interests created thereunder; and

(vi) [Intentionally Omitted]

(vii) With respect to any Intellectual Property License (x) entered into after the date hereof, (y) that is material to the conduct of the business, and (z) by which any Grantor receives a license or rights in any material Intellectual Property of another Person, subject to its reasonable business judgment, Grantor shall use commercially reasonable efforts (not involving expending money in excess of de minimis amounts) to permit the assignment of or grant a security interest in such Intellectual Property License (and all rights of Grantor thereunder) to Agent (and any transferees of Agent).

(h) Investment Property.

(i) If any Grantor shall acquire or obtain any Pledged Interests constituting a "security" (as defined in the Code) or Pledged Intercompany Notes that do not constitute Excluded DIP Collateral after the date of this Agreement, such Grantor shall, within the time period prescribed in Section 5.11 of the DIP Term Loan Credit Agreement, deliver to Agent a duly executed Pledged Interests Addendum identifying such Pledged Interests and/or Pledged Intercompany Notes, as applicable, and deliver such newly acquired Pledged Interests or Pledged Intercompany Notes;

(ii) Upon the occurrence and during the continuance of an Event of Default, following the written request of Agent, all sums of money and property paid or distributed in respect of the Investment Property that are received by any Grantor shall be held by the Grantors in trust for the benefit of Agent segregated from such Grantor's other property, and such Grantor shall deliver it forthwith to Agent in the exact form received;

(iii) Each Grantor agrees that it will cooperate with Agent in obtaining all necessary approvals and making all necessary filings under federal, state, local, or foreign law to effect the perfection of the Security Interest on the Investment Property or, after an Event of Default has occurred and is continuing and following receipt of notice pursuant to Section 16, to effect any sale or transfer thereof;

(iv) As to all limited liability company or partnership interests, issued under any Pledged Operating Agreement or Pledged Partnership Agreement, each Grantor hereby covenants that the Pledged Interests issued pursuant to such agreement (A) are not and shall not be dealt in or traded on securities exchanges or in securities markets, (B) do not and will not constitute investment company securities, and (C) are not and will not be held by such Grantor in a securities account. In addition, none of the Pledged Operating Agreements, the Pledged Partnership Agreements, or any other agreements governing any of the Pledged Interests issued under any Pledged Operating Agreement or Pledged Partnership Agreement, provide or shall provide that such Pledged Interests are securities governed by Article 8 of the Uniform Commercial Code as in effect in any relevant jurisdiction while any Pledged Interests are pledged pursuant to this Agreement; provided, however, such Pledged Operating Agreement or Pledged Partnership Agreement, as applicable, may provide that such an Article 8 election can be made with the consent of all pledgees of such units and percentage ownership or the delivery of any applicable certificate or control agreement necessary to perfect each such pledgee's interests in the applicable units or percentage ownership.

(v) With regard to any Pledged Interests constituting a "security" (as defined in the Code) that are not certificated, any such Grantor of such non-certificated Pledged Interests (i) agrees promptly to note on its books the security interests granted to Agent and confirmed under this Agreement, (ii) agrees that after the occurrence and during the continuation of an Event of Default, it will comply with instructions of Agent or its nominee with respect to the applicable Pledged Interests without further consent by the applicable Grantor, (iii) to the extent permitted by law, agrees that the "issuer's jurisdiction" (as defined in Section 8-110 of the UCC) is the State of New York, U.S.A., (iv) agrees to notify Agent upon obtaining knowledge of any interest in favor of any person in the applicable Pledged Interests that is materially adverse to the

interest of the Agent therein, other than any Permitted Liens and (v) waives any right or requirement at any time hereafter to receive a copy of this Agreement in connection with the registration of any Pledged Interests hereunder in the name of Agent or its nominee or the exercise of voting rights by Agent or its nominee.

(i) [Intentionally Omitted].

(j) Transfers and Other Liens. Grantors shall not (i) sell, assign (by operation of law or otherwise) or otherwise dispose of, or grant any option with respect to, any of the DIP Collateral, except as expressly permitted by the DIP Term Loan Credit Agreement or the other DIP Loan Documents, or (ii) create or permit to exist any Lien upon or with respect to any of the DIP Collateral of any Grantor, except for Permitted Liens. The inclusion of Proceeds in the DIP Collateral shall not be deemed to constitute Agent's consent to any sale or other disposition of any of the DIP Collateral except as expressly permitted in this Agreement or the other DIP Loan Documents;

(k) Deposit Accounts; Securities Accounts.

(i) With respect to each Deposit Account and each Securities Account (excluding, in each case, any Excluded Deposit Accounts and Securities Accounts) set forth on Schedule 10 as of the date of this Agreement, each Grantor shall establish and maintain a Control Agreement (in form and substance reasonably acceptable to Agent) with Agent and the applicable bank set forth on Schedule 10 ("Controlled Account Bank"). Each Grantor shall promptly notify the Agent of any opening or closing of a deposit account or securities account (other than any Excluded Deposit Accounts and Securities Accounts). Notwithstanding anything to the contrary provided herein, (a) to the extent a Control Agreement is required for a Deposit Account or Securities Account that does not constitute an Excluded Deposit Account and Securities Account (1) on the date of this Agreement, such Control Agreement shall not be required to be delivered until the date that falls 90 days following the date of this Agreement (or such later date as the Agent may reasonably agree) and (2) thereafter, with respect to the formation or acquisition of any new direct or indirect wholly owned Subsidiary by any Grantor or any Subsidiary that becomes a Grantor, such Control Agreement shall not be required to be delivered until the date that falls 90 days after the date of such occurrence (or such later date as the Agent may reasonably agree) and (b) no Grantor shall enter into a Control Agreement with respect a Deposit Account or a Securities Account with ABL DIP Agent unless (1) Agent is made a party to such Control Agreement or (2) such Grantor has previously entered, or concurrently therewith enters, into a Control Agreement (in form and substance reasonably acceptable to Agent) with respect to such Deposit Account or Securities Account with Agent.

(ii) So long as no Default or Event of Default has occurred and is continuing, Borrower may amend Schedule 10 to add or replace a Controlled Account Bank or Controlled Account and shall upon such addition or replacement provide to Agent an amended Schedule 10; provided, however, that (A) such prospective Controlled Account Bank shall be reasonably satisfactory to Agent and (B) prior to or concurrently with the time of the opening of such Controlled Account, the applicable Grantor and such prospective Controlled Account Bank shall have executed and delivered to Agent a Control Agreement (in form and substance reasonably acceptable to Agent) with respect to such Controlled Account.

(iii) No Grantor will make, acquire, or permit to exist Permitted Investments consisting of cash, Cash Equivalents, or amounts credited to Deposit Accounts or Securities Accounts unless Grantor and the applicable bank or securities intermediary have entered into Control Agreements with Agent governing such Permitted Investments in order to perfect (and further establish) Agent's DIP Liens in such Permitted Investments (unless constituting Excluded Deposit Accounts and Securities Accounts).

(iv) [Reserved].

(l) Name, Etc. No Grantor will change its name, organizational identification number, jurisdiction of organization or organizational identity; provided, that notwithstanding the foregoing any Grantor may change its name upon at least five (5) days' (or such shorter period agreed to by Agent) prior written notice to Agent.

8. Relation to Other Security Documents. The provisions of this Agreement shall be read and construed with the other DIP Loan Documents referred to below in the manner so indicated.

(a) DIP Term Loan Credit Agreement. In the event of any conflict between any provision in this Agreement and a provision in the DIP Term Loan Credit Agreement, such provision of the DIP Term Loan Credit Agreement shall control.

(b) Patent, Trademark, Copyright Security Agreements. The provisions of the Copyright Security Agreements, Trademark Security Agreements, and Patent Security Agreements are supplemental to the provisions of this Agreement, and nothing contained in the Copyright Security Agreements, Trademark Security Agreements, or the Patent Security Agreements shall limit any of the rights or remedies of Agent hereunder. In the event of any conflict between any provision in this Agreement and a provision in a Copyright Security Agreement, Trademark Security Agreement or Patent Security Agreement, such provision of this Agreement shall control.

9. Further Assurances.

(a) Subject to the limitations in this Agreement, the DIP Orders and the other DIP Loan Documents, each Grantor agrees that from time to time, at its own expense, such Grantor will promptly execute and deliver all further instruments and documents, and take all further action, that Agent may reasonably request in writing, in order to perfect (if and to the extent such perfection is required by this Agreement and, with respect to Intellectual Property, could be achieved by the filings required by this Agreement) and protect the Security Interest granted hereby, to create, perfect (if and to the extent such perfection is required by this Agreement and, with respect to Intellectual Property, could be achieved by the filings required by this Agreement) or protect the Security Interest purported to be granted hereby or to enable Agent to exercise and enforce its rights and remedies hereunder with respect to any of the DIP Collateral.

(b) Each Grantor authorizes the filing by Agent of financing or continuation statements, or amendments thereto, and such Grantor will execute and deliver to Agent such

other instruments or notices, as Agent may reasonably request in writing, in order to perfect (if and to the extent such perfection is required by this Agreement and, with respect to Intellectual Property, could be achieved by the filings required by this Agreement) and preserve the Security Interest granted or purported to be granted hereby.

(c) Each Grantor authorizes Agent at any time and from time to time to file, transmit, or communicate, as applicable, financing statements and amendments (i) describing the DIP Collateral as "all personal property of debtor, whether now owned or hereafter acquired or arising" or "all assets of debtor, whether now owned or hereafter acquired or arising" or words of similar effect, (ii) describing the DIP Collateral as being of equal or lesser scope or with greater detail, or (iii) that contain any information required by part 5 of Article 9 of the Code for the sufficiency or filing office acceptance. Each Grantor also hereby ratifies any and all financing statements or amendments previously filed by Agent in any jurisdiction.

(d) Each Grantor acknowledges that it is not authorized to file any financing statement or amendment or termination statement with respect to any financing statement filed in connection with this Agreement without the prior written consent of Agent, subject to such Grantor's rights under Section 9-509(d)(2) of the Code.

10. Agent's Right to Perform Contracts, Exercise Rights, etc. Subject to the DIP Orders, upon the occurrence and during the continuance of an Event of Default and with concurrent notice to the Grantors, Agent (or its designee) (a) may proceed to perform any and all of the obligations of any Grantor contained in any contract, lease, or other agreement (in each case, that does not constitute Excluded DIP Collateral) and exercise any and all rights of any Grantor therein contained as fully as such Grantor itself could, (b) shall have the right to use any Grantor's rights under Intellectual Property Licenses that do not constitute Excluded DIP Collateral (to the extent not prohibited under the applicable Intellectual Property License or under applicable law) in connection with the enforcement of Agent's rights hereunder, including the right to prepare for sale and sell any and all Inventory or Equipment now or hereafter owned by any Grantor and now or hereafter covered by such licenses, and (c) shall, upon notice to Grantors of Agent's election to exercise such rights pursuant to Section 16, have the right to request that any Equity Interests that are pledged hereunder be registered in the name of Agent or any of its nominees.

11. Agent Appointed Attorney-in-Fact. Each Grantor hereby irrevocably appoints (until the termination of this Agreement) Agent its attorney-in-fact for the purposes provided in this Section 11, with full authority in the place and stead of such Grantor and in the name of such Grantor, solely at such time as an Event of Default has occurred and is continuing under the DIP Term Loan Credit Agreement, to take any action and to execute any instrument which Agent may reasonably deem necessary or advisable to accomplish the purposes of this Agreement, including:

(a) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in connection with the Accounts or any other DIP Collateral of such Grantor;

(b) to receive and open all mail addressed to such Grantor and to notify postal authorities to change the address for the delivery of mail to such Grantor to that of Agent;

(c) to receive, indorse, and collect any drafts or other instruments, documents, Negotiable DIP Collateral or Chattel Paper;

(d) to file any claims or take any action or institute any proceedings which Agent may reasonably deem necessary for the collection of any of the DIP Collateral of such Grantor or otherwise to enforce the rights of Agent with respect to any of the DIP Collateral;

(e) to repair, alter, or supply goods, if any, necessary to fulfill in whole or in part the purchase order of any Person obligated to such Grantor in respect of any Account of such Grantor;

(f) to use any Intellectual Property Licenses (to the extent not prohibited under the applicable Intellectual Property License or otherwise under applicable law) of such Grantor that does not constitute Excluded DIP Collateral, or any labels, Patents, Trademarks, trade names, URLs, domain names, industrial designs, Copyrights or advertising matter owned by such Grantor that does not constitute Excluded DIP Collateral, in preparing for sale, advertising for sale, or selling Inventory or other DIP Collateral and to collect any amounts due under Accounts, contracts or Negotiable DIP Collateral of such Grantor; and

(g) Agent, on behalf of the Lender Group, shall have the right, but shall not be obligated, to bring suit in its own name to enforce the Intellectual Property and Intellectual Property Licenses (to the extent not prohibited under the applicable Intellectual Property License and otherwise permitted under applicable law), in each case that constitutes DIP Collateral and that does not constitute Excluded DIP Collateral which are necessary and material to the operation of Grantor's business and, if Agent shall commence any such suit, the appropriate Grantor shall, at the written request of Agent, do any and all lawful acts and execute any and all proper documents reasonably required by Agent in aid of such enforcement.

To the extent permitted by law, each Grantor hereby ratifies all that such attorney-in-fact shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable until this Agreement is terminated. If requested by a Grantor, upon termination of this Agreement, Agent shall furnish evidence of termination of the power of attorney given to Agent under this Section 11.

12. Agent May Perform. Upon the occurrence and during the continuation of an Event of Default, if any Grantor fails to perform any agreement contained herein, Agent may itself, upon concurrent notice to the applicable Grantor, perform, or cause performance of, such agreement, and the reasonable, documented and out-of-pocket expenses of Agent incurred in connection therewith shall be payable, jointly and severally, by Grantors.

13. Agent's Duties. The powers conferred on Agent hereunder are solely to protect Agent's interest in the DIP Collateral, for the benefit of the Lender Group, and shall not impose any duty upon Agent to exercise any such powers. Except for the safe custody of any DIP Collateral in its actual possession and the accounting for moneys actually received by it

hereunder, Agent shall have no duty as to any DIP Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any DIP Collateral. Agent shall be deemed to have exercised reasonable care in the custody and preservation of any DIP Collateral in its actual possession if such DIP Collateral is accorded treatment substantially equal to that which Agent accords its own property.

14. Collection of Accounts, General Intangibles and Negotiable DIP Collateral. Subject to the Dip Orders, at any time upon the occurrence and during the continuation of an Event of Default, Agent or Agent's designee may (a) notify Account Debtors of any Grantor that the Accounts, General Intangibles Chattel Paper or Negotiable DIP Collateral of such Grantor have been assigned to Agent, for the benefit of the Lender Group, or that Agent has a security interest therein, and (b) collect the Accounts, General Intangibles and Negotiable DIP Collateral of any Grantor directly, and any collection costs and expenses shall constitute part of such Grantor's DIP Secured Obligations under the DIP Loan Documents.

15. Disposition of Pledged Interests by Agent. None of the Pledged Interests existing as of the date of this Agreement are, and none of the Pledged Interests hereafter acquired on the date of acquisition thereof will be, registered or qualified under the various federal or state securities laws of the United States and disposition thereof after an Event of Default has occurred and is continuing may be restricted to one or more private (instead of public) sales in view of the lack of such registration. Each Grantor understands that in connection with such disposition, Agent may approach only a restricted number of potential purchasers and further understands that a sale under such circumstances may yield a lower price for the Pledged Interests than if the Pledged Interests were registered and qualified pursuant to federal and state securities laws and sold on the open market. Each Grantor, therefore, agrees that: (a) if Agent shall, pursuant to the terms of this Agreement, sell or cause the Pledged Interests or any portion thereof to be sold at a private sale, Agent shall have the right to rely upon the advice and opinion of any nationally recognized brokerage or investment firm (but shall not be obligated to seek such advice and the failure to do so shall not be considered in determining the commercial reasonableness of such action) as to the best manner in which to offer the Pledged Interest or any portion thereof for sale and as to the best price reasonably obtainable at the private sale thereof; and (b) such reliance shall be conclusive evidence that Agent has handled the disposition in a commercially reasonable manner.

16. Voting and Other Rights in Respect of Pledged Interests.

(a) Subject to the DIP Orders, upon the occurrence and during the continuation of an Event of Default, (i) Agent may, at its option, immediately upon prior written notice to such Grantor of Agent's intention to exercise its remedies pursuant to this Section 16(a), and in addition to all rights and remedies available to Agent under any other agreement, at law, in equity, or otherwise, exercise all voting rights, or any other ownership or consensual rights (including any dividend or distribution rights) in respect of the Pledged Interests owned by such Grantor, but under no circumstances is Agent obligated by the terms of this Agreement to exercise such rights, and (ii) each Grantor hereby appoints Agent, such Grantor's true and lawful attorney-in-fact and IRREVOCABLE PROXY to vote such Pledged Interests in any manner Agent deems advisable for or against all matters submitted or which may be submitted to a vote of shareholders, partners or members, as the case may be. The power-of-attorney and proxy

granted hereby is coupled with an interest and shall be irrevocable until the payment in full of the DIP Secured Obligations in accordance with the provisions of the DIP Term Loan Credit Agreement and the DIP Loan Commitments have expired or have been terminated.

(b) For so long as any Grantor shall have the right to vote the Pledged Interests owned by it, such Grantor covenants and agrees that it will not, without the prior written consent of Agent, vote or take any consensual action with respect to such Pledged Interests which would materially adversely affect the rights of Agent, the other members of the Lender Group or the value of the Pledged Interests, other than to the extent expressly permitted by the DIP Term Loan Credit Agreement.

17. Remedies. Subject to the DIP Orders, upon the occurrence and during the continuance of an Event of Default:

(a) Agent may, and, at the instruction of the Required Lenders, shall exercise in respect of the DIP Collateral, in addition to other rights and remedies provided for herein, in the other DIP Loan Documents, or otherwise available to it, all the rights and remedies of a secured party on default under the Code or any other applicable law. Without limiting the generality of the foregoing, each Grantor expressly agrees that, in any such event, Agent without demand of performance or other demand, advertisement or notice of any kind (except a notice specified below of time and place of public or private sale) to or upon any Grantor or any other Person (all and each of which demands, advertisements and notices are hereby expressly waived to the maximum extent permitted by the Code or any other applicable law), may take immediate possession of all or any portion of the DIP Collateral and (i) require Grantors to, and each Grantor hereby agrees that it will at its own expense and upon written request of Agent forthwith, assemble all or part of the DIP Collateral as directed by Agent and make it available to Agent at one or more locations where such Grantor regularly maintains Inventory, and (ii) without notice except as specified below, sell the DIP Collateral or any part thereof in one or more parcels at public or private sale, at any of Agent's offices or elsewhere, for cash, on credit, and upon such other terms as Agent may deem commercially reasonable. Each Grantor agrees that, to the extent notification of sale shall be required by law, at least ten (10) days' prior notification by mail to the applicable Grantor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification and, specifically, such notification shall constitute a reasonable "authenticated notification of disposition" within the meaning of Section 9-611 of the Code (or its equivalent in other jurisdictions). Agent shall not be obligated to make any sale of DIP Collateral regardless of notification of sale having been given. Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. Each Grantor agrees that (A) the internet shall constitute a "place" for purposes of Section 9-610(b) of the Code and (B) to the extent notification of sale shall be required by law, notification by mail of the URL where a sale will occur and the time when a sale will commence at least ten (10) days prior to the sale shall constitute a reasonable notification for purposes of Section 9-611(b) of the Code.

(b) Upon the occurrence and during the continuance of an Event of Default, Agent is hereby granted a non-exclusive license or other right to use, without liability for royalties or any other charge to Grantors, each Grantor's DIP Collateral constituting Intellectual

Property including but not limited to, any labels, Patents, Trademarks, trade names, URLs, domain names, industrial designs, Copyrights, and advertising matter, whether owned by any Grantor or with respect to which any Grantor has rights under license, sublicense, or other agreements (including any Intellectual Property License) to the extent not prohibited under the applicable license, sublicense or other agreement (including any Intellectual Property License) and otherwise permitted under applicable law, as it pertains to the DIP Collateral, in preparing for sale, advertising for sale and selling any DIP Collateral, and each Grantor's rights under all licenses, sublicenses or other agreements (including any Intellectual Property Licenses) shall inure to the benefit of Agent to the extent not prohibited under the applicable license, sublicense or other agreement (including any Intellectual Property License) and otherwise permitted under applicable law.

(c) Agent may, in addition to other rights and remedies provided for herein, in the other DIP Loan Documents, or otherwise available to it under applicable law and without the requirement of notice to or upon any Grantor or any other Person (which notice is hereby expressly waived to the maximum extent permitted by the Code or any other applicable law), (i) with respect to any Grantor's Deposit Accounts in which Agent's DIP Liens are perfected by control under Section 9-104 of the Code, instruct the bank maintaining such Deposit Account for the applicable Grantor to pay the balance of such Deposit Account to or for the benefit of Agent, and (ii) with respect to any Grantor's Securities Accounts in which Agent's DIP Liens are perfected by control under Section 9-106 of the Code, instruct the securities intermediary maintaining such Securities Account for the applicable Grantor to (A) transfer any cash in such Securities Account to or for the benefit of Agent, or (B) liquidate any financial assets in such Securities Account that are customarily sold on a recognized market and transfer the cash proceeds thereof to or for the benefit of Agent.

(d) Any cash held by Agent as DIP Collateral and all cash proceeds received by Agent in respect of any sale of, collection from, or other realization upon all or any part of the DIP Collateral shall be applied against the DIP Secured Obligations in the order set forth in the DIP Term Loan Credit Agreement. In the event the proceeds of DIP Collateral are insufficient to satisfy all of the DIP Secured Obligations in full, each Grantor shall remain jointly and severally liable for any such deficiency.

(e) Each Grantor hereby acknowledges that the DIP Secured Obligations arise out of a commercial transaction, and agrees that if an Event of Default shall occur and be continuing Agent shall have the right to an immediate writ of possession without notice of a hearing. Agent shall have the right to the appointment of a receiver for the properties and assets of each Grantor, and each Grantor hereby consents to such rights and such appointment and hereby waives any objection such Grantor may have thereto or the right to have a bond or other security posted by Agent.

18. Remedies Cumulative. Each right, power, and remedy of Agent or any other member of the Lender Group as provided for in this Agreement or the other DIP Loan Documents now or hereafter existing at law or in equity or by statute or otherwise shall be cumulative and concurrent and shall be in addition to every other right, power, or remedy provided for in this Agreement and the other DIP Loan Documents or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by

Agent or any other member of the Lender Group of any one or more of such rights, powers, or remedies shall not preclude the simultaneous or later exercise by Agent, such other member of the Lender Group of any or all such other rights, powers, or remedies.

19. Marshaling. Agent shall not be required to marshal any present or future collateral security (including but not limited to the DIP Collateral) for, or other assurances of payment of, the DIP Secured Obligations or any of them or to resort to such collateral security or other assurances of payment in any particular order, and all of its rights and remedies hereunder and in respect of such collateral security and other assurances of payment shall be cumulative and in addition to all other rights and remedies, however existing or arising. To the extent that it lawfully may, each Grantor hereby agrees that it will not invoke any law relating to the marshaling of collateral which might cause delay in or impede the enforcement of Agent's rights and remedies under this Agreement or under any other instrument creating or evidencing any of the DIP Secured Obligations or under which any of the DIP Secured Obligations is outstanding or by which any of the DIP Secured Obligations is secured or payment thereof is otherwise assured, and, to the extent that it lawfully may, each Grantor hereby irrevocably waives the benefits of all such laws.

20. [Intentionally Omitted].

21. Merger, Amendments; Etc. THIS AGREEMENT, TOGETHER WITH THE OTHER DIP LOAN DOCUMENTS, REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN AGREEMENTS BETWEEN THE PARTIES. No waiver of any provision of this Agreement, and no consent to any departure by any Grantor herefrom, shall in any event be effective unless the same shall be in writing and signed by Agent, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No amendment of any provision of this Agreement shall be effective unless the same shall be in writing and signed by Agent and each Grantor to which such amendment applies.

22. Addresses for Notices. All notices and other communications provided for hereunder shall be given in the form and manner and delivered to Agent at its address specified in the DIP Term Loan Credit Agreement, and to any of the Grantors at their respective addresses specified in the DIP Term Loan Credit Agreement or Guaranty, as applicable, or, as to any party, at such other address as shall be designated by such party in a written notice to the other party.

23. Continuing Security Interest: Assignments under DIP Term Loan Credit Agreement.

(a) This Agreement and the DIP Orders shall create a continuing security interest in the DIP Collateral and shall (i) remain in full force and effect until the DIP Secured Obligations have been paid in full, (ii) be binding upon each Grantor, and their respective successors and assigns, including without limitation any trustee appointed upon the conversion of the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code, and (iii) inure to the benefit of, and be enforceable by, Agent, and its successors, permitted transferees and permitted

assigns. Without limiting the generality of the foregoing clause (iii), any Lender may, in accordance with the provisions of the DIP Term Loan Credit Agreement, assign or otherwise transfer all or any portion of its rights and obligations under the DIP Term Loan Credit Agreement to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to such Lender herein or otherwise. Upon (i) payment in full of the DIP Secured Obligations , the Security Interest granted hereby shall automatically terminate and all rights to the DIP Collateral shall revert to Grantors or any other Person entitled thereto and (ii) any disposition of DIP Collateral (including a disposition of all of the Equity Interests or all or substantially all of the assets of a Guarantor) permitted by the terms of the DIP Term Loan Credit Agreement (including, without limitation, pursuant to a waiver or consent) and receipt by Agent of the Net Cash Proceeds thereof to the extent required pursuant to the terms of the DIP Loan Documents, as applicable, (x) the Security Interest granted hereby in such DIP Collateral shall automatically terminate and all rights to such DIP Collateral shall revert to a Person entitled thereto and (y) if such disposition is of all of the Equity Interests of a Guarantor, such Guarantor shall automatically be released from its DIP Guarantied Obligations hereunder. At such time of (i) or (ii) above, Agent will authorize the filing of appropriate termination statements to terminate such Security Interests or release such Guarantor, will execute and deliver to Grantors all releases or other documents reasonably necessary or desirable to evidence such release and will take any further actions as may be reasonably requested by Grantors to evidence such termination and release. Each Grantor shall automatically be released from its obligations hereunder and the Security Interest in the DIP Collateral of such Grantor shall be automatically released if such Grantor becomes an Excluded Subsidiary (as certified in writing by a Responsible Officer) pursuant to the terms of the DIP Term Loan Credit Agreement.

(b) Each Grantor agrees that, if any payment made by any Grantor or other Person and applied to the DIP Guarantied Obligations or DIP Secured Obligations (as applicable) is at any time annulled, avoided, set, aside, rescinded, invalidated, declared to be fraudulent or preferential or otherwise required to be refunded or repaid, or the proceeds of any DIP Collateral are required to be returned by Agent or any other member of the Lender Group to such Grantor, its estate, trustee, receiver or any other party, including any Grantor, under any bankruptcy law, state or federal law, common law or equitable cause, then, to the extent of such payment or repayment, any Lien or other DIP Collateral securing such liability shall be and remain in full force and effect, as fully as if such payment had never been made. If, prior to any of the foregoing, (i) any Lien or other DIP Collateral securing such Grantor's liability hereunder shall have been released or terminated by virtue of the foregoing clause (a), or (ii) any provision of the Guaranty hereunder shall have been terminated, cancelled or surrendered, such Lien, other DIP Collateral or provision shall be reinstated in full force and effect and such prior release, termination, cancellation or surrender shall not diminish, release, discharge, impair or otherwise affect the obligations of any such Grantor in respect of any Lien or other DIP Collateral securing such obligation or the amount of such payment.

24. Survival. All representations and warranties made by the Grantors in this Agreement and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of any loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that Agent or any Lender may have had notice or knowledge of any Default or Event of Default

or incorrect representation or warranty at the time any credit is extended under the DIP Term Loan Credit Agreement, and shall continue in full force and effect until the DIP Secured Obligations are paid in full.

25. CHOICE OF LAW AND VENUE; JURY TRIAL WAIVER; JUDICIAL REFERENCE PROVISION.

(a) THE VALIDITY OF THIS AGREEMENT, THE CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT HEREOF, THE RIGHTS OF THE PARTIES HERETO WITH RESPECT TO ALL MATTERS ARISING HEREUNDER OR RELATED HERETO, AND ANY CLAIMS, CONTROVERSIES OR DISPUTES ARISING HEREUNDER OR RELATED HERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

(b) THE PARTIES AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS AGREEMENT SHALL BE TRIED AND LITIGATED ONLY IN THE STATE COURTS AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, FEDERAL COURTS LOCATED IN THE COUNTY OF NEW YORK, STATE OF NEW YORK; PROVIDED, THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY DIP COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT AGENT'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE AGENT ELECTS TO BRING SUCH ACTION OR WHERE SUCH DIP COLLATERAL OR OTHER PROPERTY MAY BE FOUND. EACH GRANTOR AND AGENT WAIVE, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 25(b).

(c) TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH GRANTOR AND AGENT HEREBY WAIVE THEIR RESPECTIVE RIGHTS, IF ANY, TO A JURY TRIAL OF ANY CLAIM, CONTROVERSY, DISPUTE OR CAUSE OF ACTION DIRECTLY OR INDIRECTLY BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS (EACH A "CLAIM"). EACH GRANTOR AND AGENT REPRESENT THAT EACH HAS REVIEWED THIS WAIVER AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

(d) EACH GRANTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS LOCATED IN THE COUNTY OF NEW YORK AND THE STATE OF NEW YORK, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL

JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT SHALL AFFECT ANY RIGHT THAT AGENT MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AGAINST ANY GRANTOR OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(e) NO CLAIM MAY BE MADE BY ANY GRANTOR AGAINST THE AGENT OR ANY LENDER, OR ANY AFFILIATE, DIRECTOR, OFFICER, EMPLOYEE, COUNSEL, REPRESENTATIVE, AGENT, OR ATTORNEY-IN-FACT OF ANY OF THEM FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, OR PUNITIVE DAMAGES IN RESPECT OF ANY CLAIM FOR BREACH OF CONTRACT OR ANY OTHER THEORY OF LIABILITY ARISING OUT OF OR RELATED TO THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, OR ANY ACT, OMISSION, OR EVENT OCCURRING IN CONNECTION HEREWITH, AND EACH GRANTOR HEREBY WAIVES, RELEASES, AND AGREES NOT TO SUE UPON ANY CLAIM FOR SUCH DAMAGES, WHETHER OR NOT ACCRUED AND WHETHER OR NOT KNOWN OR SUSPECTED TO EXIST IN ITS FAVOR.

Notwithstanding any other provision of this Section 25, the Bankruptcy Court shall have exclusive jurisdiction over any action or dispute involving, relating to or arising out of this Agreement.

26. New Subsidiaries. Pursuant to Section 5.11 of the DIP Term Loan Credit Agreement, certain Subsidiaries (whether by acquisition or creation) of any Grantor are required to enter into this Agreement by executing and delivering in favor of Agent a Joinder to this Agreement in substantially the form of Annex 1. Upon the execution and delivery of Annex 1 by any such new Subsidiary, such Subsidiary shall become a Guarantor and Grantor hereunder with the same force and effect as if originally named as a Guarantor and Grantor herein. The execution and delivery of any instrument adding an additional Guarantor or Grantor as a party to this Agreement shall not require the consent of any other Guarantor or Grantor hereunder. The rights and obligations of each Guarantor and Grantor hereunder shall remain in full force and effect notwithstanding the addition of any new Guarantor or Grantor hereunder.

27. Agent. Each reference herein to any right granted to, benefit conferred upon or power exercisable by the "Agent" shall be a reference to Agent, for the benefit of each member of the Lender Group.

28. Miscellaneous.

(a) This Agreement is a DIP Loan Document. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Agreement. Delivery of an executed counterpart of this Agreement by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile or other electronic

method of transmission also shall deliver an original executed counterpart of this Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement. The foregoing shall apply to each other DIP Loan Document *mutatis mutandis*.

(b) Any provision of this Agreement which is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof in that jurisdiction or affecting the validity or enforceability of such provision in any other jurisdiction. Each provision of this Agreement shall be severable from every other provision of this Agreement for the purpose of determining the legal enforceability of any specific provision.

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

(d) Neither this Agreement nor any uncertainty or ambiguity herein shall be construed against any member of the Lender Group or any Grantor, whether under any rule of construction or otherwise. This Agreement has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to accomplish fairly the purposes and intentions of all parties hereto.

(e) Agent shall not by any act, delay, omission or otherwise, be deemed to have waived any of its rights or remedies hereunder, unless such waiver is in writing and signed by Agent and then only to the extent therein set forth. A waiver by Agent of any right or remedy on any occasion shall not be construed as a bar to the exercise of any such right or remedy which Agent would otherwise have had on any other occasion.

(f) This Agreement is subject in all respects to the terms and conditions of the Intercreditor Agreement. In the event of any conflict between any provision in this Agreement and a provision in the Intercreditor Agreement, such provision of the Intercreditor Agreement shall control between Agent, on the one hand, and Wells Fargo Bank, National Association, as the administrative agent under the ABL Agreement (the "ABL DIP Agent"), on the other hand. Notwithstanding any provisions to the contrary contained in this Agreement, subject to the terms of the Intercreditor Agreement, any obligation of any Grantor under any provision in this Agreement or in any other DIP Loan Document with respect to delivery and control of DIP Collateral (including, without limitation, the requirements to endorse, assign, and/or deliver any certificates, instruments, documents, or other possessory collateral to Agent), the novation of any lien on any certificate of title, bill of lading, or other document, the giving of any notice to any bailee or other Person, the provision of voting rights or the obtaining of any consent of any Person shall be deemed to be satisfied if the applicable Grantor complies with the requirements of the analogous provision in the applicable ABL DIP Facility Document. Any reference in this Agreement to a "first priority security interest" or words of similar effect in describing the security interests created hereunder shall be understood to refer to such priority subject to, in the case of ABL Priority Collateral (as defined in the Intercreditor Agreement), the claims of the ABL DIP Agent under the ABL DIP Loan Documents.

[signature pages follow]

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

GRANTORS:

DREAM II HOLDINGS, LLC

By:_____
Name:
Title:

HOLLANDER HOME FASHIONS HOLDINGS, LLC

By:_____
Name:
Title:

HOLLANDER SLEEP PRODUCTS, LLC

By:_____
Name:
Title:

HOLLANDER SLEEP PRODUCTS KENTUCKY, LLC

By:_____
Name:
Title:

PACIFIC COAST FEATHER, LLC

By:_____
Name:
Title:

PACIFIC COAST FEATHER CUSHION, LLC

By:_____
Name:
Title:

AGENT:

BARINGS FINANCE LLC, as
Agent

By:_____
Name: Brady Sutton
Title: Managing Director

ANNEX 1 TO
DEBTOR-IN-POSSESSION TERM LOAN GUARANTY AND SECURITY AGREEMENT
FORM OF JOINDER

Joinder No. ____ (this "Joinder"), dated as of _____ 20___, to the Debtor-In-Possession Term Loan Guaranty and Security Agreement, dated as of May [_], 2019 (as amended, restated, supplemented, or otherwise modified from time to time, the "DIP Guaranty and Security Agreement"), by and among each of the parties listed on the signature pages thereto and those additional entities that thereafter become parties thereto (collectively, jointly and severally, "Grantors" and each, individually, a "Grantor") and **BARINGS FINANCE LLC**, in its capacity as agent for the Lender Group (in such capacity, together with its successors and permitted assigns in such capacity, "Agent").

W I T N E S S E T H:

WHEREAS, pursuant to that certain DIP Term Loan Credit Agreement dated as of May [_], 2019 (as amended, restated, extended, refinanced, supplemented, or otherwise modified from time to time, the "DIP Term Loan Credit Agreement") by and among **DREAM II HOLDINGS, LLC**, a Delaware limited liability company ("Parent"), **HOLLANDER HOME FASHIONS HOLDINGS, LLC**, a Delaware limited liability company, **HOLLANDER SLEEP PRODUCTS, LLC**, a Delaware limited liability company, each other Affiliate or Subsidiary of Parent from time to time party thereto, the lenders party thereto as "Lenders" (each of such Lenders, together with its successors and permitted assigns, is referred to hereinafter as a "Lender"), and Agent, the Lender Group has agreed to make certain financial accommodations available to Borrower from time to time pursuant to the terms and conditions thereof; and

WHEREAS, initially capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the DIP Guaranty and Security Agreement or, if not defined therein, in the DIP Term Loan Credit Agreement, and this Joinder shall be subject to the rules of construction set forth in Sections 1(b) through 1(d) of the DIP Guaranty and Security Agreement, which rules of construction are incorporated herein by this reference, *mutatis mutandis*; and

WHEREAS, Grantors have entered into the DIP Guaranty and Security Agreement in order to induce the Lender Group to make certain financial accommodations to Borrower as provided for in the DIP Term Loan Credit Agreement and the other DIP Loan Documents; and

WHEREAS, pursuant to Section 5.11 of the DIP Term Loan Credit Agreement and Section 26 of the DIP Guaranty and Security Agreement, certain Subsidiaries of the Loan Parties, must execute and deliver certain DIP Loan Documents, including the DIP Guaranty and Security Agreement, and the joinder to the DIP Guaranty and Security Agreement by the undersigned new Grantor or Grantors (collectively, the "New Grantors") may be accomplished by the execution of this Joinder in favor of Agent, for the benefit of the Lender Group; and

WHEREAS, each New Grantor (a) is [**an Affiliate**] [**a Subsidiary**] of Borrower and, as such, will benefit by virtue of the financial accommodations extended to Borrower by the Lender

Group and (b) by becoming a Grantor will benefit from certain rights granted to the Grantors pursuant to the terms of the DIP Loan Documents;

NOW, THEREFORE, for and in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each New Grantor hereby agrees as follows:

29. In accordance with Section 26 of the DIP Guaranty and Security Agreement, each New Grantor, by its signature below, becomes a "Grantor" and "Guarantor" under the DIP Guaranty and Security Agreement with the same force and effect as if originally named therein as a "Grantor" and "Guarantor" and each New Grantor hereby (a) agrees to all of the terms and provisions of the DIP Guaranty and Security Agreement applicable to it as a "Grantor" or "Guarantor" thereunder and (b) represents and warrants that the representations and warranties made by it as a "Grantor" or "Guarantor" thereunder are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that are already qualified or modified by materiality in the text thereof) on and as of the date hereof. In furtherance of the foregoing, each New Grantor hereby (a) jointly and severally unconditionally and irrevocably guarantees as a primary obligor and not merely as a surety the full and prompt payment when due, whether upon maturity, acceleration, or otherwise, of all of the DIP Guarantied Obligations, and (b) grants and pledges to Agent, for the benefit of each member of the Lender Group, to secure the DIP Secured Obligations , a continuing security interest in and to all of such New Grantor's right, title and interest in the DIP Collateral. Each reference to a "Grantor" or "Guarantor" in the DIP Guaranty and Security Agreement shall be deemed to include each New Grantor. The DIP Guaranty and Security Agreement is incorporated herein by reference.

30. Schedule 1, "Commercial Tort Claims", Schedule 2, "Copyrights", Schedule 3, "Intellectual Property Licenses", Schedule 4, "Patents", Schedule 5, "Pledged Companies", Schedule 6, "Trademarks", Schedule 7, Name; Chief Executive Office; Tax Identification Numbers and Organizational Numbers, Schedule 8, "Owned Real Property", Schedule 9, "Deposit Accounts and Securities Accounts", Schedule 10, "Controlled Account Banks", and Schedule 11, "List of Uniform Commercial Code Filing Jurisdictions", attached hereto supplement Schedule 1, Schedule 2, Schedule 3, Schedule 4, Schedule 5, Schedule 6, Schedule 7, Schedule 8, Schedule 9, Schedule 10 and Schedule 11 respectively, to the DIP Guaranty and Security Agreement and shall be deemed a part thereof for all purposes of the DIP Guaranty and Security Agreement.

31. Each New Grantor authorizes Agent at any time and from time to time to file, transmit, or communicate, as applicable, financing statements and amendments thereto (i) describing the DIP Collateral as "all personal property of debtor, whether now owned or hereafter acquired or arising" or "all assets of debtor, whether now owned or hereafter acquired or arising" or words of similar effect, (ii) describing the DIP Collateral as being of equal or lesser scope or with greater detail, or (iii) that contain any information required by part 5 of Article 9 of the Code for the sufficiency or filing office acceptance. Each New Grantor also hereby ratifies any and all financing statements or amendments previously filed by Agent in any jurisdiction in connection with the DIP Loan Documents.

32. Each New Grantor represents and warrants to Agent and the Lender Group that this Joinder has been duly executed and delivered by such New Grantor and constitutes its legal, valid, and binding obligation, enforceable against it in accordance with its terms, except as enforceability thereof may be limited by bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium, or other similar laws affecting creditors' rights generally and general principles of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity).

33. This Joinder is a DIP Loan Document. This Joinder may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Joinder. Delivery of an executed counterpart of this Joinder by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Joinder. Any party delivering an executed counterpart of this Joinder by telefacsimile or other electronic method of transmission also shall deliver an original executed counterpart of this Joinder but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Joinder.

34. The DIP Guaranty and Security Agreement, as supplemented hereby, shall remain in full force and effect.

35. THIS JOINDER SHALL BE SUBJECT TO THE PROVISIONS REGARDING CHOICE OF LAW AND VENUE, JURY TRIAL WAIVER, AND JUDICIAL REFERENCE SET FORTH IN SECTION 25 OF THE DIP GUARANTY AND SECURITY AGREEMENT, AND SUCH PROVISIONS ARE INCORPORATED HEREIN BY THIS REFERENCE, *MUTATIS MUTANDIS*.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Joinder to the DIP Guaranty and Security Agreement to be executed and delivered as of the day and year first above written.

NEW GRANTORS: [**NAME OF NEW GRANTOR**]

By:_____
Name: _____
Title: _____

[NAME OF NEW GRANTOR]

By:_____
Name: _____
Title: _____

AGENT: **BARINGS FINANCE LLC**

By:_____
Name: _____
Title: _____

EXHIBIT A

COPYRIGHT SECURITY AGREEMENT

This COPYRIGHT SECURITY AGREEMENT (this "Copyright Security Agreement") is made this ___ day of , 20__, by and among Grantors listed on the signature pages hereof (collectively, jointly and severally, "Grantors" and each individually "Grantor"), and **BARINGS FINANCE LLC**, in its capacity as administrative agent for the Lender Group (in such capacity, together with its successors and permitted assigns in such capacity, "Agent").

W I T N E S S E T H:

WHEREAS, pursuant to that certain DIP Term Loan Credit Agreement dated as of May [_], 2019 (as amended, restated, extended, refinanced, supplemented, or otherwise modified from time to time, the "DIP Term Loan Credit Agreement") by and among **DREAM II HOLDINGS, LLC**, a Delaware limited liability company ("Parent"), **HOLLANDER HOME FASHIONS HOLDINGS, LLC**, a Delaware limited liability company, **HOLLANDER SLEEP PRODUCTS, LLC**, a Delaware limited liability company, each other Affiliate or Subsidiary of Parent from time to time party thereto, the lenders party thereto as "Lenders" (each of such Lenders, together with its successors and permitted assigns, is referred to hereinafter as a "Lender"), and Agent, the Lender Group has agreed to make certain financial accommodations available to Borrower (as defined therein) from time to time pursuant to the terms and conditions thereof; and WHEREAS, the members of the Lender Group are willing to make the financial accommodations to Borrower as provided for in the DIP Term Loan Credit Agreement and the other DIP Loan Documents, but only upon the condition, among others, that Grantors shall have executed and delivered to Agent, for the benefit of the Lender Group, that certain Debtor-In-Possession Term Loan Guaranty and Security Agreement, dated as of May [_], 2019 (including all annexes, exhibits or schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "DIP Guaranty and Security Agreement"); and

WHEREAS, pursuant to the DIP Guaranty and Security Agreement, Grantors are required to execute and deliver to Agent, for the benefit of the Lender Group, this Copyright Security Agreement;

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantors hereby agree as follows:

1. DEFINED TERMS. All initially capitalized terms used herein (including in the preamble and recitals hereof) but not otherwise defined herein shall have the meanings ascribed thereto in the DIP Guaranty and Security Agreement or, if not defined therein, in the DIP Term Loan Credit Agreement, and this Copyright Security Agreement shall be subject to the rules of construction set forth in Sections 1(b) through 1(d) of the DIP Guaranty and Security Agreement, which rules of construction are incorporated herein by this reference, *mutatis mutandis*.

2. GRANT OF SECURITY INTEREST IN COPYRIGHT DIP COLLATERAL. Each Grantor hereby grants and pledges to Agent for the benefit of each member of the Lender Group, to secure the DIP Secured Obligations , a continuing security interest (hereinafter

referred to as the "Security Interest") in all of such Grantor's right, title, and interest in and to the following, whether now owned or hereafter acquired or arising and wherever located (collectively, the "Copyright DIP Collateral"):

(a) any and all rights in any works of authorship, including (whether statutory or common law, whether established or registered in the United States or any other country or any political subdivision thereof, whether registered or unregistered and whether published or unpublished), including (A) copyrights and moral rights, (B) copyright registrations and recordings thereof and all applications in connection therewith including those listed on Schedule I and (C) renewals and extensions thereof; and

(b) all of the proceeds (as such term is defined in the Code) and products, whether tangible or intangible, of any of the foregoing, including proceeds of insurance or Commercial Tort Claims covering or relating to any or all of the foregoing, and any and all Accounts, Books, Chattel Paper, Deposit Accounts, Equipment, Fixtures, General Intangibles, Inventory, Investment Property, Negotiable DIP Collateral, Pledged Interests, Securities Accounts, DIP Supporting Obligations, money, or other tangible or intangible property resulting from the sale, lease, license, exchange, collection, or other disposition of any of the foregoing, the proceeds of any award in condemnation with respect to any of the foregoing, any rebates or refunds, whether for taxes or otherwise, and all proceeds of any such proceeds, or any portion thereof or interest therein, and the proceeds thereof, and all proceeds of any loss of, damage to, or destruction of the above, whether insured or not insured, and, to the extent not otherwise included, any indemnity, warranty, or guaranty payable by reason of loss or damage to, or otherwise with respect to any of the foregoing.

Notwithstanding anything contained in this Copyright Security Agreement to the contrary, the term "Copyright DIP Collateral" and any defined term used therein shall not include, and the Security Interest shall not attach to Excluded DIP Collateral (as defined in the DIP Guaranty and Security Agreement).

3. SECURITY FOR DIP SECURED OBLIGATIONS . This Copyright Security Agreement and the Security Interest created hereby secures the payment and performance of the DIP Secured Obligations , whether now existing or arising hereafter.

4. SECURITY AGREEMENT. The Security Interest granted pursuant to this Copyright Security Agreement is granted in conjunction with the security interests granted to Agent, for the benefit of the Lender Group, pursuant to the DIP Guaranty and Security Agreement. Each Grantor hereby acknowledges and affirms that the rights and remedies of Agent with respect to the Security Interest in the Copyright DIP Collateral made and granted hereby are more fully set forth in the DIP Guaranty and Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. To the extent there is any conflict between this Copyright Security Agreement and the DIP Guaranty and Security Agreement, the DIP Guaranty and Security Agreement shall control.

5. AUTHORIZATION TO SUPPLEMENT. Without limiting Grantors' obligations under this Section, Grantors hereby authorize Agent unilaterally to modify this Copyright Security Agreement by amending Schedule I to include any future registered copyrights or

applications therefor of each Grantor (except for those constituting Excluded DIP Collateral). Notwithstanding the foregoing, no failure to so modify this Copyright Security Agreement or amend Schedule I shall in any way affect, invalidate or detract from Agent's continuing security interest in all DIP Collateral, whether or not listed on Schedule I.

6. COUNTERPARTS. This Copyright Security Agreement is a DIP Loan Document. This Copyright Security Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Copyright Security Agreement. Delivery of an executed counterpart of this Copyright Security Agreement by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Copyright Security Agreement. Any party delivering an executed counterpart of this Copyright Security Agreement by telefacsimile or other electronic method of transmission also shall deliver an original executed counterpart of this Copyright Security Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Copyright Security Agreement.

7. CHOICE OF LAW AND VENUE; JURY TRIAL WAIVER; JUDICIAL REFERENCE PROVISION.

(a) THE VALIDITY OF THIS COPYRIGHT SECURITY AGREEMENT, THE CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT HEREOF, THE RIGHTS OF THE PARTIES HERETO WITH RESPECT TO ALL MATTERS ARISING HEREUNDER OR RELATED HERETO, AND ANY CLAIMS, CONTROVERSIES OR DISPUTES ARISING HEREUNDER OR RELATED HERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

(b) THE PARTIES AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS COPYRIGHT SECURITY AGREEMENT SHALL BE TRIED AND LITIGATED ONLY IN THE STATE COURTS AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, FEDERAL COURTS LOCATED IN THE COUNTY OF NEW YORK, STATE OF NEW YORK; PROVIDED, THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY DIP COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT AGENT'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE AGENT ELECTS TO BRING SUCH ACTION OR WHERE SUCH DIP COLLATERAL OR OTHER PROPERTY MAY BE FOUND. EACH GRANTOR AND AGENT WAIVE, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 25(b).

(c) TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH GRANTOR AND AGENT HEREBY WAIVE THEIR RESPECTIVE RIGHTS, IF ANY, TO A JURY TRIAL OF ANY CLAIM, CONTROVERSY, DISPUTE OR CAUSE OF ACTION DIRECTLY OR INDIRECTLY BASED UPON OR ARISING OUT OF THIS COPYRIGHT

SECURITY AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS (EACH A "CLAIM"). EACH GRANTOR AND AGENT REPRESENT THAT EACH HAS REVIEWED THIS WAIVER AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS COPYRIGHT SECURITY AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

(d) EACH GRANTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS LOCATED IN THE COUNTY OF NEW YORK AND THE STATE OF NEW YORK, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS COPYRIGHT SECURITY AGREEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS COPYRIGHT SECURITY AGREEMENT SHALL AFFECT ANY RIGHT THAT AGENT MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS COPYRIGHT SECURITY AGREEMENT AGAINST ANY GRANTOR OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(e) NO CLAIM MAY BE MADE BY ANY GRANTOR AGAINST THE AGENT OR ANY LENDER, OR ANY AFFILIATE, DIRECTOR, OFFICER, EMPLOYEE, COUNSEL, REPRESENTATIVE, AGENT, OR ATTORNEY-IN-FACT OF ANY OF THEM FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, OR PUNITIVE DAMAGES IN RESPECT OF ANY CLAIM FOR BREACH OF CONTRACT OR ANY OTHER THEORY OF LIABILITY ARISING OUT OF OR RELATED TO THE TRANSACTIONS CONTEMPLATED BY THIS COPYRIGHT SECURITY AGREEMENT, OR ANY ACT, OMISSION, OR EVENT OCCURRING IN CONNECTION HEREWITH, AND EACH GRANTOR HEREBY WAIVES, RELEASES, AND AGREES NOT TO SUE UPON ANY CLAIM FOR SUCH DAMAGES, WHETHER OR NOT ACCRUED AND WHETHER OR NOT KNOWN OR SUSPECTED TO EXIST IN ITS FAVOR.

[signature page follows]

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

GRANTORS: _____

By: _____
Name: _____
Title: _____
Location: _____

_____

By: _____
Name: _____
Title: _____
Location: _____

ACCEPTED AND ACKNOWLEDGED BY:

AGENT: **BARINGS FINANCE LLC**

By:_____
Name:
Title:

Location: _____

SCHEDULE I
to
COPYRIGHT SECURITY AGREEMENT

Copyright Registrations

Grantor	Country	Copyright	Registration No.	Registration Date

EXHIBIT B

PATENT SECURITY AGREEMENT

This PATENT SECURITY AGREEMENT (this "Patent Security Agreement") is made this ___ day of, 20__, by and among the Grantors listed on the signature pages hereof (collectively, jointly and severally, "Grantors" and each individually "Grantor"), and **BARINGS FINANCE LLC**, in its capacity as administrative agent for the Lender Group (in such capacity, together with its successors and permitted assigns in such capacity, "Agent").

W I T N E S S E T H:

WHEREAS, pursuant to that certain DIP Term Loan Credit Agreement dated as of May [_], 2019 (as amended, restated, extended, refinanced, supplemented, or otherwise modified from time to time, the "DIP Term Loan Credit Agreement") by and among **DREAM II HOLDINGS, LLC**, a Delaware limited liability company ("Parent"), **HOLLANDER HOME FASHIONS HOLDINGS, LLC**, a Delaware limited liability company, **HOLLANDER SLEEP PRODUCTS, LLC**, a Delaware limited liability company, each other Affiliate or Subsidiary of Parent from time to time party thereto, the lenders party thereto as "Lenders" (each of such Lenders, together with its successors and permitted assigns, is referred to hereinafter as a "Lender"), and Agent, the Lender Group has agreed to make certain financial accommodations available to Borrower from time to time pursuant to the terms and conditions thereof; and WHEREAS, the members of Lender Group are willing to make the financial accommodations to Borrower as provided for in the DIP Term Loan Credit Agreement and the other DIP Loan Documents, but only upon the condition, among others, that the Grantors shall have executed and delivered to Agent, for the benefit of the Lender Group, that certain Debtor-In-Possession Term Loan Guaranty and Security Agreement, dated as of May [_], 2019 (including all annexes, exhibits or schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "DIP Guaranty and Security Agreement"); and

WHEREAS, pursuant to the DIP Guaranty and Security Agreement, Grantors are required to execute and deliver to Agent, for the benefit of the Lender Group, this Patent Security Agreement;

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor hereby agrees as follows:

1. DEFINED TERMS. All initially capitalized terms used herein (including in the preamble and recitals hereof) but not otherwise defined herein shall have the meanings ascribed thereto in the DIP Guaranty and Security Agreement or, if not defined therein, in the DIP Term Loan Credit Agreement, and this Patent Security Agreement shall be subject to the rules of construction set forth in Sections 1(b) through 1(d) of the DIP Guaranty and Security Agreement, which rules of construction are incorporated herein by this reference, *mutatis mutandis*.

2. GRANT OF SECURITY INTEREST IN PATENT DIP COLLATERAL. Each Grantor hereby grants and pledges to Agent for the benefit of each member of the Lender Group, to secure the DIP Secured Obligations , a continuing security interest (hereinafter referred to as

the "Security Interest") in all of such Grantor's right, title, and interest in and to the following, whether now owned or hereafter acquired or arising and wherever located (collectively, the "Patent DIP Collateral"):

(a) patents and patent applications (whether established or registered or filed in the United States or any other country or any political subdivision thereof), including (A) the patents and patent applications listed on Schedule I, (B) all inventions and improvements described in or claimed therein and (C) all continuations, divisionals, continuations-in-part, re-examinations, and reissues thereof and improvements thereon; and

(b) all of the proceeds (as such term is defined in the Code) and products, whether tangible or intangible, of any of the foregoing, including proceeds of insurance or Commercial Tort Claims covering or relating to any or all of the foregoing, and any and all Accounts, Books, Chattel Paper, Deposit Accounts, Equipment, Fixtures, General Intangibles, Inventory, Investment Property, Negotiable DIP Collateral, Pledged Interests, Securities Accounts, DIP Supporting Obligations, money, or other tangible or intangible property resulting from the sale, lease, license, exchange, collection, or other disposition of any of the foregoing, the proceeds of any award in condemnation with respect to any of the foregoing, any rebates or refunds, whether for taxes or otherwise, and all proceeds of any such proceeds, or any portion thereof or interest therein, and the proceeds thereof, and all proceeds of any loss of, damage to, or destruction of the above, whether insured or not insured, and, to the extent not otherwise included, any indemnity, warranty, or guaranty payable by reason of loss or damage to, or otherwise with respect to any of the foregoing.

Notwithstanding anything contained in this Patent Security Agreement to the contrary, the term "Patent DIP Collateral" and any defined term used therein shall not include, and the Security Interest shall not attach to Excluded DIP Collateral (as defined in the DIP Guaranty and Security Agreement).

3. SECURITY FOR DIP SECURED OBLIGATIONS . This Patent Security Agreement and the Security Interest created hereby secures the payment and performance of the DIP Secured Obligations , whether now existing or arising hereafter.

4. SECURITY AGREEMENT. The Security Interest granted pursuant to this Patent Security Agreement is granted in conjunction with the security interests granted to Agent, for the benefit of the Lender Group, pursuant to the DIP Guaranty and Security Agreement. Grantor hereby acknowledges and affirms that the rights and remedies of Agent with respect to the Security Interest in the Patent DIP Collateral made and granted hereby are more fully set forth in the DIP Guaranty and Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. To the extent there is any conflict between this Patent Security Agreement and the DIP Guaranty and Security Agreement, the DIP Guaranty and Security Agreement shall control.

5. AUTHORIZATION TO SUPPLEMENT. Without limiting Grantors' obligations under this Section, Grantors hereby authorize Agent unilaterally to modify this Patent Security Agreement by amending Schedule I to include any such newly Patents or applications therefor of Grantor (except for those constituting Excluded DIP Collateral). Notwithstanding the foregoing,

no failure to so modify this Patent Security Agreement or amend Schedule I shall in any way affect, invalidate or detract from Agent's continuing security interest in all DIP Collateral, whether or not listed on Schedule I.

6. COUNTERPARTS. This Patent Security Agreement is a DIP Loan Document. This Patent Security Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Patent Security Agreement. Delivery of an executed counterpart of this Patent Security Agreement by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Patent Security Agreement. Any party delivering an executed counterpart of this Patent Security Agreement by telefacsimile or other electronic method of transmission also shall deliver an original executed counterpart of this Patent Security Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Patent Security Agreement.

7. CHOICE OF LAW AND VENUE; JURY TRIAL WAIVER; JUDICIAL REFERENCE PROVISION.

(a) THE VALIDITY OF THIS PATENT SECURITY AGREEMENT, THE CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT HEREOF, THE RIGHTS OF THE PARTIES HERETO WITH RESPECT TO ALL MATTERS ARISING HEREUNDER OR RELATED HERETO, AND ANY CLAIMS, CONTROVERSIES OR DISPUTES ARISING HEREUNDER OR RELATED HERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

(b) THE PARTIES AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS PATENT SECURITY AGREEMENT SHALL BE TRIED AND LITIGATED ONLY IN THE STATE COURTS AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, FEDERAL COURTS LOCATED IN THE COUNTY OF NEW YORK, STATE OF NEW YORK; PROVIDED, THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY DIP COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT AGENT'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE AGENT ELECTS TO BRING SUCH ACTION OR WHERE SUCH DIP COLLATERAL OR OTHER PROPERTY MAY BE FOUND. EACH GRANTOR AND AGENT WAIVE, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 25(b).

(c) TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH GRANTOR AND AGENT HEREBY WAIVE THEIR RESPECTIVE RIGHTS, IF ANY, TO A JURY TRIAL OF ANY CLAIM, CONTROVERSY, DISPUTE OR CAUSE OF ACTION DIRECTLY OR INDIRECTLY BASED UPON OR ARISING OUT OF THIS PATENT SECURITY AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY

CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS (EACH A "CLAIM"). EACH GRANTOR AND AGENT REPRESENT THAT EACH HAS REVIEWED THIS WAIVER AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS PATENT SECURITY AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

(d) EACH GRANTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS LOCATED IN THE COUNTY OF NEW YORK AND THE STATE OF NEW YORK, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS PATENT SECURITY AGREEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS PATENT SECURITY AGREEMENT SHALL AFFECT ANY RIGHT THAT AGENT MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS PATENT SECURITY AGREEMENT AGAINST ANY GRANTOR OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(e) NO CLAIM MAY BE MADE BY ANY GRANTOR AGAINST THE AGENT OR ANY LENDER, OR ANY AFFILIATE, DIRECTOR, OFFICER, EMPLOYEE, COUNSEL, REPRESENTATIVE, AGENT, OR ATTORNEY-IN-FACT OF ANY OF THEM FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, OR PUNITIVE DAMAGES IN RESPECT OF ANY CLAIM FOR BREACH OF CONTRACT OR ANY OTHER THEORY OF LIABILITY ARISING OUT OF OR RELATED TO THE TRANSACTIONS CONTEMPLATED BY THIS PATENT SECURITY AGREEMENT, OR ANY ACT, OMISSION, OR EVENT OCCURRING IN CONNECTION HEREWITH, AND EACH GRANTOR HEREBY WAIVES, RELEASES, AND AGREES NOT TO SUE UPON ANY CLAIM FOR SUCH DAMAGES, WHETHER OR NOT ACCRUED AND WHETHER OR NOT KNOWN OR SUSPECTED TO EXIST IN ITS FAVOR.

[signature page follows]

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

GRANTORS: _____

By: _____
Name: _____
Title: _____
Location: _____

_____

By: _____
Name: _____
Title: _____
Location: _____

ACCEPTED AND ACKNOWLEDGED BY:

AGENT: **BARINGS FINANCE LLC**

By:_____
Name:
Title:

Location: _____

SCHEDULE I
to
PATENT SECURITY AGREEMENT

Patents

Grantor	Country	Patent	Application/ Patent No.	Filing Date/Issue Date

EXHIBIT C

PLEDGED INTERESTS ADDENDUM

This Pledged Interests Addendum, dated as of __, 20___ (this "Pledged Interests Addendum"), is delivered pursuant to Section 7 of the DIP Guaranty and Security Agreement referred to below. The undersigned hereby agrees that this Pledged Interests Addendum may be attached to that certain Debtor-In-Possession Term Loan Guaranty and Security Agreement, dated as of May [_], 2019 (as amended, restated, supplemented, or otherwise modified from time to time, the "DIP Guaranty and Security Agreement"), made by the undersigned, together with the other Grantors named therein, to **BARINGS FINANCE LLC**, as Agent. Initially capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the DIP Guaranty and Security Agreement or, if not defined therein, in the DIP Term Loan Credit Agreement, and this Pledged Interests Addendum shall be subject to the rules of construction set forth in Sections 1(b) through 1(d) of the DIP Guaranty and Security Agreement, which rules of construction are incorporated herein by this reference, *mutatis mutandis*. The undersigned hereby agrees that the additional interests listed on Schedule I shall be and become part of the Pledged Interests pledged by the undersigned to Agent in the DIP Guaranty and Security Agreement and any pledged company set forth on Schedule I shall be and become a "Pledged Company" under the DIP Guaranty and Security Agreement, each with the same force and effect as if originally named therein.

This Pledged interests Addendum is a DIP Loan Document. Delivery of an executed counterpart of this Pledged Interests Addendum by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Pledged Interests Addendum. If the undersigned delivers an executed counterpart of this Pledged Interests Addendum by telefacsimile or other electronic method of transmission, the undersigned shall also deliver an original executed counterpart of this Pledged Interests Addendum but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Pledged Interests Addendum.

The undersigned hereby certifies that the representations and warranties set forth in Section 6 of the DIP Guaranty and Security Agreement of the undersigned are true and correct as to the Pledged Interests listed herein on and as of the date hereof.

THIS PLEDGED INTERESTS ADDENDUM SHALL BE SUBJECT TO THE PROVISIONS REGARDING CHOICE OF LAW AND VENUE, JURY TRIAL WAIVER, AND JUDICIAL REFERENCE SET FORTH IN SECTION 25 OF THE DIP GUARANTY AND SECURITY AGREEMENT, AND SUCH PROVISIONS ARE INCORPORATED HEREIN BY THIS REFERENCE, *MUTATIS MUTANDIS*.

[signature page follows]

IN WITNESS WHEREOF, the undersigned has caused this Pledged Interests Addendum to be executed and delivered as of the day and year first above written.

_____

By:_____
Name:
Title:

SCHEDULE I
to
PLEDGED INTERESTS ADDENDUM

Pledged Interests

Name of Grantor	Name of Pledged Company	Number of Shares/Units	Class of Interests	Percentage of Class Owned	Certificate Nos.

EXHIBIT D

TRADEMARK SECURITY AGREEMENT

This TRADEMARK SECURITY AGREEMENT (this "Trademark Security Agreement") is made this ___ day of , 20__, by and among Grantors listed on the signature pages hereof (collectively, jointly and severally, "Grantors" and each individually "Grantor"), and **BARINGS FINANCE LLC**, in its capacity as administrative agent for the Lender Group (in such capacity, together with its successors and permitted assigns in such capacity, "Agent").

W I T N E S S E T H:

WHEREAS, pursuant to that certain DIP Term Loan Credit Agreement dated as of May [_], 2019 (as amended, restated, extended, refinanced, supplemented, or otherwise modified from time to time, the "DIP Term Loan Credit Agreement") by and among **DREAM II HOLDINGS, LLC**, a Delaware limited liability company ("Parent"), **HOLLANDER HOME FASHIONS HOLDINGS, LLC**, a Delaware limited liability company, **HOLLANDER SLEEP PRODUCTS, LLC**, a Delaware limited liability company, each other Affiliate or Subsidiary of Parent from time to time party thereto, the lenders party thereto as "Lenders" (each of such Lenders, together with its successors and permitted assigns, is referred to hereinafter as a "Lender"), and Agent, the Lender Group has agreed to make certain financial accommodations available to Borrower from time to time pursuant to the terms and conditions thereof; and WHEREAS, the members of the Lender Group are willing to make the financial accommodations to Borrower as provided for in the DIP Term Loan Credit Agreement and the other DIP Loan Documents, but only upon the condition, among others, that Grantors shall have executed and delivered to Agent, for the benefit of Lender Group, that certain Debtor-In-Possession Term Loan Guaranty and Security Agreement, dated as of May [_], 2019 (including all annexes, exhibits or schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "DIP Guaranty and Security Agreement"); and

WHEREAS, pursuant to the DIP Guaranty and Security Agreement, Grantors are required to execute and deliver to Agent, for the benefit of Lender Group, this Trademark Security Agreement;

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor hereby agrees as follows:

1. DEFINED TERMS. All initially capitalized terms used herein (including in the preamble and recitals hereof) but not otherwise defined herein shall have the meanings ascribed thereto in the DIP Guaranty and Security Agreement or, if not defined therein, in the DIP Term Loan Credit Agreement, and this Trademark Security Agreement shall be subject to the rules of construction set forth in Sections 1(b) through 1(d) of the DIP Guaranty and Security Agreement, which rules of construction are incorporated herein by this reference, *mutatis mutandis*.

2. GRANT OF SECURITY INTEREST IN TRADEMARK DIP COLLATERAL. Each Grantor hereby grants and pledges to Agent for the benefit of each member of the Lender Group, to secure the DIP Secured Obligations , a continuing security interest (hereinafter

referred to as the "Security Interest") in all of such Grantor's right, title, and interest in and to the following, whether now owned or hereafter acquired or arising and wherever located (collectively, the "Trademark DIP Collateral"):

(a) any and all trademarks, trade names, trade dress, registered trademarks, trademark applications, service marks, registered service marks and service mark applications (whether statutory or common law and whether established or registered in the Unites States or any other country or any political subdivision thereof), including (A) the trade names, registered trademarks, trademark applications, registered service marks and service mark applications listed on Schedule I, (B) goodwill of the business symbolized thereby or connected with the use thereof and (C) all renewals thereof; and

(b) all of the proceeds (as such term is defined in the Code) and products, whether tangible or intangible, of any of the foregoing, including proceeds of insurance or Commercial Tort Claims covering or relating to any or all of the foregoing, and any and all Accounts, Books, Chattel Paper, Deposit Accounts, Equipment, Fixtures, General Intangibles, Inventory, Investment Property, Negotiable DIP Collateral, Pledged Interests, Securities Accounts, DIP Supporting Obligations, money, or other tangible or intangible property resulting from the sale, lease, license, exchange, collection, or other disposition of any of the foregoing, the proceeds of any award in condemnation with respect to any of the foregoing, any rebates or refunds, whether for taxes or otherwise, and all proceeds of any such proceeds, or any portion thereof or interest therein, and the proceeds thereof, and all proceeds of any loss of, damage to, or destruction of the above, whether insured or not insured, and, to the extent not otherwise included, any indemnity, warranty, or guaranty payable by reason of loss or damage to, or otherwise with respect to any of the foregoing.

Notwithstanding anything contained in this Trademark Security Agreement to the contrary, the term "Trademark DIP Collateral" and any defined term used therein shall not include, and the Security Interest shall not attach to Excluded DIP Collateral (as defined in the DIP Guaranty and Security Agreement), including the following: any United States intent-to-use trademark applications for which an amendment to allege use or a statement of use has not been filed and accepted by the PTO, to the extent that, and solely during the period in which, the grant, attachment or perfection of a security interest therein would impair the validity or enforceability of such intent-to-use trademark applications or the resulting trademark registration under applicable federal law, provided that upon submission and acceptance by the PTO of an amendment to allege use or a statement of use pursuant to 15 U.S.C. Section 1051(c) or (d) (or any successor provision), such intent-to-use trademark application shall be considered DIP Collateral.

3. SECURITY FOR DIP SECURED OBLIGATIONS . This Trademark Security Agreement and the Security Interest created hereby secures the payment and performance of the DIP Secured Obligations , whether now existing or arising hereafter.

4. SECURITY AGREEMENT. The Security Interest granted pursuant to this Trademark Security Agreement is granted in conjunction with the security interests granted to Agent, for the benefit of the Lender Group, pursuant to the DIP Guaranty and Security Agreement.

Each Grantor hereby acknowledges and affirms that the rights and remedies of Agent with respect to the Security Interest in the Trademark DIP Collateral made and granted hereby are more fully set forth in the DIP Guaranty and Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. To the extent there is any conflict between this Trademark Security Agreement and the DIP Guaranty and Security Agreement, the DIP Guaranty and Security Agreement shall control.

5. AUTHORIZATION TO SUPPLEMENT. Without limiting Grantors' obligations under this Section, Grantors hereby authorize Agent unilaterally to modify this Trademark Security Agreement by amending Schedule I to include any new registered Trademarks or application thereof of each Grantor (except for those constituting Excluded DIP Collateral). Notwithstanding the foregoing, no failure to so modify this Trademark Security Agreement or amend Schedule I shall in any way affect, invalidate or detract from Agent's continuing security interest in all DIP Collateral, whether or not listed on Schedule I.

6. COUNTERPARTS. This Trademark Security Agreement is a DIP Loan Document. This Trademark Security Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Trademark Security Agreement. Delivery of an executed counterpart of this Trademark Security Agreement by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Trademark Security Agreement. Any party delivering an executed counterpart of this Trademark Security Agreement by telefacsimile or other electronic method of transmission also shall deliver an original executed counterpart of this Trademark Security Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Trademark Security Agreement.

7. CHOICE OF LAW AND VENUE; JURY TRIAL WAIVER; JUDICIAL REFERENCE PROVISION.

(a) THE VALIDITY OF THIS TRADEMARK SECURITY AGREEMENT, THE CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT HEREOF, THE RIGHTS OF THE PARTIES HERETO WITH RESPECT TO ALL MATTERS ARISING HEREUNDER OR RELATED HERETO, AND ANY CLAIMS, CONTROVERSIES OR DISPUTES ARISING HEREUNDER OR RELATED HERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

(b) THE PARTIES AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS TRADEMARK SECURITY AGREEMENT SHALL BE TRIED AND LITIGATED ONLY IN THE STATE COURTS AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, FEDERAL COURTS LOCATED IN THE COUNTY OF NEW YORK, STATE OF NEW YORK; PROVIDED, THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY DIP COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT AGENT'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE AGENT ELECTS TO BRING SUCH ACTION OR WHERE SUCH DIP

COLLATERAL OR OTHER PROPERTY MAY BE FOUND. EACH GRANTOR AND AGENT WAIVE, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 25(b).

(c) TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH GRANTOR AND AGENT HEREBY WAIVE THEIR RESPECTIVE RIGHTS, IF ANY, TO A JURY TRIAL OF ANY CLAIM, CONTROVERSY, DISPUTE OR CAUSE OF ACTION DIRECTLY OR INDIRECTLY BASED UPON OR ARISING OUT OF THIS TRADEMARK SECURITY AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS (EACH A "CLAIM"). EACH GRANTOR AND AGENT REPRESENT THAT EACH HAS REVIEWED THIS WAIVER AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS TRADEMARK SECURITY AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

(d) EACH GRANTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS LOCATED IN THE COUNTY OF NEW YORK AND THE STATE OF NEW YORK, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS TRADEMARK SECURITY AGREEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS TRADEMARK SECURITY AGREEMENT SHALL AFFECT ANY RIGHT THAT AGENT MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS TRADEMARK SECURITY AGREEMENT AGAINST ANY GRANTOR OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(e) NO CLAIM MAY BE MADE BY ANY GRANTOR AGAINST THE AGENT OR ANY LENDER, OR ANY AFFILIATE, DIRECTOR, OFFICER, EMPLOYEE, COUNSEL, REPRESENTATIVE, AGENT, OR ATTORNEY-IN-FACT OF ANY OF THEM FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, OR PUNITIVE DAMAGES IN RESPECT OF ANY CLAIM FOR BREACH OF CONTRACT OR ANY OTHER THEORY OF LIABILITY ARISING OUT OF OR RELATED TO THE TRANSACTIONS CONTEMPLATED BY THIS TRADEMARK SECURITY AGREEMENT, OR ANY ACT, OMISSION, OR EVENT OCCURRING IN CONNECTION HEREWITH, AND EACH GRANTOR HEREBY WAIVES, RELEASES, AND AGREES NOT TO SUE UPON ANY CLAIM FOR SUCH DAMAGES, WHETHER OR NOT ACCRUED AND WHETHER OR NOT KNOWN OR SUSPECTED TO EXIST IN ITS FAVOR.

[signature page follows]

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

GRANTORS: _____

By: _____
Name: _____
Title: _____
Location: _____

_____

By: _____
Name: _____
Title: _____
Location: _____

ACCEPTED AND ACKNOWLEDGED BY:

AGENT: **BARINGS FINANCE LLC**

By:_____
Name:
Title:

Location: _____

SCHEDULE I
to
TRADEMARK SECURITY AGREEMENT

Trademark Registrations/Applications

Grantor	Country	Mark	Application/ Registration No.	App/Reg Date

SCHEDULE 1

COMMERCIAL TORT CLAIMS

None.

SCHEDULE 2

REGISTERED OR APPLIED-FOR COPYRIGHTS

UNITED STATES COPYRIGHT REGISTRATIONS AND APPLICATIONS:

Title	Registration No.	Current Record Owner
Hollander Sleep Products, LLC	VA0001276670	Double support (feather & down fill)
Hollander Sleep Products, LLC	VA0001256354	Basics Double Support : down alternative fill

SCHEDULE 3

MATERIAL INTELLECTUAL PROPERTY LICENSES

1. License Agreement, dated as of August 20, 2008, by and between Croscill, Inc. and Louisville Bedding Company, as amended;

2. Trademark License Agreement, dated as of May 24, 2013, by and between Dreamwell, Ltd. and Hollander Home Fashions, LLC (now known as Hollander Sleep Products, LLC);

3. License Agreement, dated as of January 1, 2006, by and between Nautica Apparel, Inc. and Louisville Bedding Company, as amended;

4. License Agreement, dated as of May 1, 2012 (renewed as of May 1, 2019), by and among PRL USA, Inc., The Polo/Lauren Company, L.P., Ralph Lauren Home Collection, Inc., Hollander Sleep Products, LLC, Hollander Sleep Products Canada Limited, Hollander Sleep Products Quebec Inc. and Hollander Sleep Products Montreal, Inc.;

5. Trademark License Agreement, dated May 24, 2013, by and between Simmons Canada Inc. and Hollander Home Fashions, LLC (now known as Hollander Sleep Products, LLC);

6. Intellectual Property License Agreement, dated December 1, 2011, by and among Ther-A-Pedic Associates, Inc., Hollander Home Fashions, LLC (now known as Hollander Sleep Products, LLC), and Hollander Canada Home Fashions, Ltd.;

7. Letter Agreement, dated as of November 6, 2009, by and among The Versailles Foundation, Inc., Hollander Home Fashions, LLC (now known as Hollander Sleep Products, LLC) and Hollander Canada Home Fashions Ltd.;

8. License Agreement, dated as of September 30, 2010, by and among Icon De Holdings LLC (by assignment from Studio IP Holdings LLC), Hollander Home Fashions, LLC (now known as Hollander Sleep Products, LLC), and Hollander Canada Home Fashions Limited, as amended;

9. Joint Seal Licensing Agreement, dated as of July 1, 2006, by and among Hollander Home Fashions, LLC (now known as Hollander Sleep Products, LLC), Hollander Canada Home Fashions Ltd., the Asthma and Allergy Foundation of America and Allergy Standards Ltd., as amended;

10. Documents related to the use of the Supima® trademark.

11. Exclusive Selling and Commission Agreement: ComfortMax, dated February 15, 2017, between Pacific Coast Feather Company and Hop Lion.

12. Avendra Supplier Agreement, dated February 1, 2010, between Pacific Coast Feather Company and Avendra, as amended.

13. The SAP License Agreement, undated, between Pacific Coast Feather Company and Kamyk Daunen s.r.o.

14. R/3 Software Individual End-User License Agreement, dated March 8, 1995, between Pacific Coast Feather Company and SAP America, as supplemented and amended from time to time.

15. Master Services Agreement, dated April 26, 2016, between Pacific Coast Feather Company and Rimini Street, Inc., with the statements of word and schedules thereto, as amended from time to time.

16. Supply and License Agreement, dated September 2, 2015 between Pacific Coast Feather Company and Cocona Inc.

17. Endorsement Agreement by and between Pacific Coast Feather Company (as successor-in-interest to the rights of United Feather & Down, Inc.) and James B. Maas, dated as of December 7, 2010, as amended effective December 31, 2015.

18. Trademark License Agreement by and between Pacific Coast Feather Company and Elie Tahari Ltd., dated March 13, 2014.

19. Trademark License Agreement by and between Pacific Coast Feather Company and SHEEX, Inc., dated as of April 22, 2016.

20. Spring Air International LLC License Agreement by and between Spring Air International LLC, Spring Air IP Holdings, LLC, and Pacific Coast Feather Company, dated July 28, 2013.

21. Sublicense Agreement, by and between Crown Crafts Designer, Inc., and Pacific Coast Feather Company, dated November 1, 1999, as amended by Amendment to the Sublicense Agreement by and between Pacific Coast Feather Company and Calvin Klein, Inc., effective October 1, 2001, and as further amended from time to time.

22. Trademark License Agreement by and between Pacific Coast Feather Company and Kamyk Daunen s.r.o., dated August 11, 2016, grants Pacific Coast Feather Company an exclusive license to use the trademark “CANNSTATTER” (Canada filing number: TMA881243) in Canada.

23. Trademark License Agreement by and between Pacific Coast Feather Company and Kamyk Daunen s.r.o., dated August 11, 2016, grants Pacific Coast Feather Company an exclusive license to use the trademark “CANNSTATTER” (U.S. filing number: 4218093) in the U.S.

24. Master Purchase Agreement (Domestic Vendors), dated February 25, 2015, between Pacific Coast Feather Company and Williams-Sonoma, Inc.

25. J.C. Penney Corporation, Inc. Trading Partner Agreement for U.S. Merchandise Vendors.

26. Manufacturing and Supply Agreement, effective July 1, 2015, by and between Best Western International, Inc. and Pacific Coast Feather Company.

27. Master Goods Agreement by and between Pacific Coast Feather Company and Six Continents Hotels, Inc., dated June 30, 2016.

SCHEDULE 4

ISSUED PATENTS AND PATENT APPLICATIONS

UNITED STATES PATENT REGISTRATIONS AND APPLICATIONS:

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
Adjustable Pillow	Pending	62818877	3/15/2019			Hollander Sleep Products, LLC	United States of America
Adjustable Pillow	Pending	16374051	4/3/2019			Hollander Sleep Products, LLC	United States of America
Baffle Box Comforter	Pending	15229760	8/5/2016			Hollander Sleep Products, LLC	United States of America
Baffle Box Comforter	Registered	12553885	9/3/2009	8,561,229	10/22/2013	Hollander Sleep Products, LLC	United States of America
Baffle Box Pillow	Registered	12694194	1/26/2010	8,028,360	10/4/2011	Hollander Sleep Products, LLC	United States of America
Bedding Article With Overlaying Portions	Registered	11192602	7/29/2005	7,080,421	7/25/2006	Hollander Sleep Products, LLC	United States of America
Comforter With Fitted Border	Registered	13442608	4/9/2012	9,451,839	9/27/2016	Hollander Sleep Products, LLC	United States of America
Contour Pillow With Interior Baffle Walls	Registered	10935261	9/7/2004	7,210,178	5/1/2007	Hollander Sleep Products, LLC	United States of America
Domed Comforter	Registered	11673165	2/9/2007	7,647,657	1/19/2010	Hollander Sleep Products, LLC	United States of America
Featherbed With Hourglass Construction	Registered	11567575	12/6/2006	7,681,268	3/23/2010	Hollander Sleep Products, LLC	United States of America
Filled Bedding Construction Having Channels With Alternating Length Portions	Registered	10808637	3/25/2004	6,961,970	11/8/2005	Hollander Sleep Products, LLC	United States of America
Filling Material And Process For Making Same	Registered	10759610	1/16/2004	7,074,242	7/11/2006	Hollander Sleep Products, LLC	United States of America
Gusseted Pillow With Pleated Top And Bottom Sections	Registered	10402605	3/28/2003	6,760,935	7/13/2004	Hollander Sleep Products, LLC	United States of America
High Loft Comforter	Registered	9474878	12/29/1999	6,301,730	10/16/2001	Hollander Sleep Products, LLC	United States of America
Multi-layer Multi-chamber Pillow With Unfilled Center Chamber In The Top Layer	Registered	11192605	7/29/2005	7,152,263	12/26/2006	Hollander Sleep Products, LLC	United States of America

No Shift Chambered Body Pillow	Registered	12112426	4/30/2008	7,669,266	3/2/2010	Hollander Sleep Products, LLC	United States of America
Pillow	Registered	29577568	9/14/2016	D839,636	2/5/2019	Hollander Sleep Products, LLC	United States of America
Pillow	Pending	29675102	12/28/2018			Hollander Sleep Products, LLC	United States of America
Pillow	Registered	29444405	1/30/2013	D706,553	6/10/2014	Hollander Sleep Products, LLC	United States of America
Pillow Covering	Registered	29200339	2/26/2004	D507,920	8/2/2005	Hollander Sleep Products, LLC	United States of America
Pillow Kit With Removable Interior Cores	Registered	10810150	3/26/2004	7,222,379	5/29/2007	Hollander Sleep Products, LLC	United States of America
Pillow With Baffles Within An Outer Pillow Shell	Registered	11671874	2/6/2007	7,562,405	7/21/2009	Hollander Sleep Products, LLC	United States of America
Pillow With Central Area Having Lower Fill Volume	Registered	10685884	10/14/2003	6,931,682	8/23/2005	Hollander Sleep Products, LLC	United States of America
Tubule Featherbed	Registered	11618476	12/29/2006	7,356,864	4/15/2008	Hollander Sleep Products, LLC	United States of America
Universal Support Pillow	Registered	12419591	4/7/2009	7,874,033	1/25/2011	Hollander Sleep Products, LLC	United States of America
Non-gusset Pillow	Registered	14666047	3/23/2015	9,980,587	5/29/2018	Hollander Sleep Products, LLC	United States of America
Pillow Cover With Closure And Pouch Member Therefor	Registered	10359865	2/7/2003	6,910,237	6/28/2005	Hollander Sleep Products, LLC	United States of America
Quilted-top Featherbed	Registered	9474339	12/29/1999	6,745,419	6/8/2004	Hollander Sleep Products, LLC	United States of America
Blended Fiber Containing Silver, Blended Filling Containing Silver Fibers, And Method For Making Same	Registered	12022435	1/30/2008	7,814,623	10/19/2010	Hollander Sleep Products, LLC	United States of America
Baffle Box Comforter Structure Designed To Resist Shifting Of Fill	Registered	13887203	5/3/2013	8,776,288	7/15/2014	Hollander Sleep Products, LLC	United States of America

CANADIAN PATENT REGISTRATIONS AND APPLICATIONS:

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
Baffle Box Comforter	Registered	2940071	8/24/2016	2940071	12/4/2018	Hollander Sleep Products, LLC	Canada
Domed Comforter	Registered	2620502	2/8/2008	2620502	9/13/2011	Hollander Sleep Products, LLC	Canada
High Loft Comforter	Registered	2329698	12/28/2000	2329698	7/7/2009	Hollander Sleep Products, LLC	Canada
Pillow	Registered	149537	1/30/2013	149537	3/31/2014	Hollander Sleep Products, LLC	Canada
Pillow	Registered	175209	11/24/2016	175209	7/12/2017	Hollander Sleep Products, LLC	Canada
Pillow	Registered	175210	11/24/2016	175210	7/12/2017	Hollander Sleep Products, LLC	Canada
Pillow	Registered	171783	11/24/2016	171783	7/12/2017	Hollander Sleep Products, LLC	Canada
Pillow With Baffles Within An Outer Pillow Shell	Registered	2619522	2/6/2008	2619522	11/3/2015	Hollander Sleep Products, LLC	Canada
Quilted-top Featherbed	Registered	2329699	12/28/2000	2329699	8/29/2006	Hollander Sleep Products, LLC	Canada

SCHEDULE 5

PLEDGED COMPANIES

Name of Grantor	Name of Pledged Company	Number of Shares/Units	Class of Interests	Represents Percentage of Class Owned	Percentage of Class Pledged	Certificate Nos.
Dream II Holdings, LLC	Hollander Home Fashions Holdings, LLC	1,358,214 common units	Membership interests	100%	100%	N/A
Dream II Holdings, LLC	Hollander Sleep Products Canada Limited	0.65 common share	Common shares	65%	65%	C-1
Hollander Home Fashions Holdings, LLC	Hollander Sleep Products, LLC	1,000 units	Membership interests	100%	100%	N/A
Hollander Sleep Products, LLC	Hollander Sleep Products Kentucky, LLC	1,000 units	Membership interests	100%	100%	N/A
Hollander Sleep Products, LLC	Hollander Home Fashions Trading (Shanghai) Co., Ltd.	N/A	Membership interests	100%	65%	N/A
Hollander Sleep Products, LLC	Pacific Coast Feather, LLC	1,000	Common Units	100%	100%	N/A
Pacific Coast Feather, LLC	Pacific Coast Feather Cushion, LLC	1,000	Common Units	100%	100%	N/A
Pacific Coast Feather, LLC	PCF (Shanghai) Quality Management Consulting Co., Ltd.	1	Equity interest	100%	65%	N/A

SCHEDULE 6

REGISTERED OR APPLIED-FOR TRADEMARKS

UNITED STATES TRADEMARK REGISTRATIONS AND APPLICATIONS:

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
...THE ULTIMATE LUXURY (DESIGN)	Registered	85430242	9/23/2011	4,433,031	11/12/2013	Hollander Sleep Products, LLC	United States of America
A WORLD OF COMFORT	Registered	86799377	10/26/2015	4,988,090	6/28/2016	Hollander Sleep Products, LLC	United States of America
ABUNDANCE	Registered	86174993	1/24/2014	4,856,184	11/17/2015	Hollander Sleep Products, LLC	United States of America
ABUNDANCE	Registered	86206712	2/27/2014	4,856,226	11/17/2015	Hollander Sleep Products, LLC	United States of America
AFFIRM	Registered	85032141	5/6/2010	3,999,384	7/19/2011	Hollander Sleep Products, LLC	United States of America
ALLERREST	Registered	86269248	5/1/2014	4,625,073	10/21/2014	Hollander Sleep Products, LLC	United States of America
ALLER-SURE	Registered	77672914	2/18/2009	4,026,525	9/13/2011	Hollander Sleep Products, LLC	United States of America
ALLERX	Registered	78260439	6/10/2003	3,298,680	9/25/2007	Hollander Sleep Products, LLC	United States of America
ALLUNA	Registered	86464313	11/25/2014	4,842,758	10/27/2015	Hollander Sleep Products, LLC	United States of America
ARCTIC FRESH	Registered	86202314	2/24/2014	4,782,838	7/28/2015	Hollander Sleep Products, LLC	United States of America
BARRIER WEAVE	Registered	85085541	7/15/2010	3,923,124	2/22/2011	Hollander Sleep Products, LLC	United States of America
BED ARMOR	Registered	85364720	7/6/2011	4,114,357	3/20/2012	Hollander Sleep Products, LLC	United States of America

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
BED GLOVE	Registered	74426312	8/17/1993	1,870,583	12/27/1994	Hollander Sleep Products, LLC	United States of America
BED SAVER	Registered	76035627	4/28/2000	2,551,016	3/19/2002	Hollander Sleep Products, LLC	United States of America
BEYOND COMFORT	Registered	74577708	9/23/1994	2,014,240	11/5/1996	Hollander Sleep Products, LLC	United States of America
BIG COMFY	Registered	77868219	11/9/2009	3,927,089	3/1/2011	Hollander Sleep Products, LLC	United States of America
BIG COZY	Registered	77856380	10/23/2009	3,901,745	1/4/2011	Hollander Sleep Products, LLC	United States of America
BIG COZY	Registered	77869628	11/10/2009	4,094,155	1/31/2012	Hollander Sleep Products, LLC	United States of America
BIG SHOT	Registered	76298016	8/13/2001	2,687,366	2/11/2003	Hollander Sleep Products, LLC	United States of America
BIG Z	Registered	75458046	5/27/1998	2,270,499	8/17/1999	Hollander Sleep Products, LLC	United States of America
BOOMERANG	Registered	75728906	6/15/1999	2,613,680	9/3/2002	Hollander Sleep Products, LLC	United States of America
BOTANICAL DOWN	Registered	77789088	7/24/2009	3,846,731	9/7/2010	Hollander Sleep Products, LLC	United States of America
Brain Logo	Registered	87203456	10/14/2016	5,590,859	10/23/2018	Hollander Sleep Products, LLC	United States of America
BREATHE WELL	Registered	75474996	4/27/1998	2,492,969	9/25/2001	Hollander Sleep Products, LLC	United States of America
BREATHE-COOL	Registered	86241474	4/3/2014	4,960,744	5/17/2016	Hollander Sleep Products, LLC	United States of America
BREATHEMESH	Registered	86432141	10/23/2014	4,755,370	6/16/2015	Hollander Sleep Products, LLC	United States of America
BREATHEWELL	Registered	87525646	7/12/2017	5,587,384	10/16/2018	Hollander Sleep Products, LLC	United States of America

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
BREATHEWELL	Registered	86420197	10/10/2014	5,492,445	6/12/2018	Hollander Sleep Products, LLC	United States of America
BREATHEWELL PILLOW	Registered	86443928	11/4/2014	4,999,040	7/12/2016	Hollander Sleep Products, LLC	United States of America
CAPTURE TOP	Registered	77675946	2/23/2009	3,679,383	9/8/2009	Hollander Sleep Products, LLC	United States of America
CHILDREN'S BEDTIME PILLOW	Registered	75455371	3/23/1998	2,262,691	7/20/1999	Hollander Sleep Products, LLC	United States of America
CLEARFRESH	Registered	86258997	4/22/2014	4,652,260	12/9/2014	Hollander Sleep Products, LLC	United States of America
CLEARFRESH	Registered	86440768	10/31/2014	4,919,075	3/15/2016	Hollander Sleep Products, LLC	United States of America
CLUSTER PUFF	Registered	78238380	4/16/2003	2,899,498	11/2/2004	Hollander Sleep Products, LLC	United States of America
COMFORT CENTRAL	Registered	74481802	1/24/1994	1,882,267	3/7/1995	Hollander Sleep Products, LLC	United States of America
COMFORT CHAMBER	Registered	76352308	12/26/2001	2,792,349	12/9/2003	Hollander Sleep Products, LLC	United States of America
COMFORT LOCK	Registered	74483254	1/27/1994	1,998,955	9/10/1996	Hollander Sleep Products, LLC	United States of America
COMFORT-FORME	Registered	87357944	3/3/2017	5,449,759	4/17/2018	Hollander Sleep Products, LLC	United States of America
CONFORMANCE	Registered	85776213	11/9/2012	4,589,386	8/19/2014	Hollander Sleep Products, LLC	United States of America
CORE SLEEP	Registered	85365760	7/7/2011	4,222,894	10/9/2012	Hollander Sleep Products, LLC	United States of America
COVER PLUS	Registered	85729756	9/14/2012	4,572,981	7/22/2014	Hollander Sleep Products, LLC	United States of America
CROWN OF DOWN	Registered	74437383	9/20/1993	1,946,007	1/2/1996	Hollander Sleep Products, LLC	United States of America

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CRYSTALLINE	Registered	86194194	2/14/2014	4,694,537	3/3/2015	Hollander Sleep Products, LLC	United States of America
CUDDLE ROLL	Registered	75778188	8/17/1999	2,375,118	8/8/2000	Hollander Sleep Products, LLC	United States of America
CUDDLEBED	Registered	85219868	1/18/2011	4,052,079	11/8/2011	Hollander Sleep Products, LLC	United States of America
CUDDLEBED	Registered	77939688	2/19/2010	4,455,249	12/24/2013	Hollander Sleep Products, LLC	United States of America
CUDDLEFOAM	Registered	86567779	3/18/2015	4,974,488	6/7/2016	Hollander Sleep Products, LLC	United States of America
CUDDLELOFT	Registered	85307476	4/28/2011	4,425,944	10/29/2013	Hollander Sleep Products, LLC	United States of America
CURVATION	Registered	77084983	1/17/2007	3,841,863	8/31/2010	Hollander Sleep Products, LLC	United States of America
DOUBLE STUFF	Registered	85780553	11/15/2012	4,576,625	7/29/2014	Hollander Sleep Products, LLC	United States of America
DOUBLE SUPPORT	Registered	86120315	11/15/2013	4,822,764	9/29/2015	Hollander Sleep Products, LLC	United States of America
DOUBLE SUPPORT	Registered	78137048	6/19/2002	2,818,380	2/24/2004	Hollander Sleep Products, LLC	United States of America
DOWN EMBRACE	Registered	75455209	3/23/1998	2,244,632	5/11/1999	Hollander Sleep Products, LLC	United States of America
DOWN ENRAPTURE	Registered	85484775	12/1/2011	4,259,027	12/11/2012	Hollander Sleep Products, LLC	United States of America
DOWN ON TOP	Registered	74437385	9/20/1993	1,946,008	1/2/1996	Hollander Sleep Products, LLC	United States of America
DOWN SURROUND	Registered	74437384	9/20/1993	1,949,403	1/16/1996	Hollander Sleep Products, LLC	United States of America
DOWN WRAP	Registered	76052619	5/22/2000	2,479,644	8/21/2001	Hollander Sleep Products, LLC	United States of America

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DOWNAROUND	Registered	73445911	9/29/1983	1,292,323	8/28/1984	Hollander Sleep Products, LLC	United States of America
DOWNLOCK	Registered	74576144	9/20/1994	2,095,513	9/9/1997	Hollander Sleep Products, LLC	United States of America
DOWNWORKS	Registered	77044395	11/15/2006	3,870,768	11/2/2010	Hollander Sleep Products, LLC	United States of America
DOWNWORKS	Registered	85776239	11/9/2012	4,522,827	4/29/2014	Hollander Sleep Products, LLC	United States of America
DREAMLOFT	Registered	77780564	7/14/2009	4,067,713	12/6/2011	Hollander Sleep Products, LLC	United States of America
DREAM-LOFT	Registered	86244594	4/7/2014	4,863,911	12/1/2015	Hollander Sleep Products, LLC	United States of America
DREAMSCAPE	Registered	75258742	3/17/1997	2,158,623	5/19/1998	Hollander Sleep Products, LLC	United States of America
DREAMSCAPE	Registered	77662373	2/3/2009	3,663,632	8/4/2009	Hollander Sleep Products, LLC	United States of America
DREAMY NIGHTS	Registered	76407514	5/14/2002	2,795,796	12/16/2003	Hollander Sleep Products, LLC	United States of America
DUAL ZONE	Registered	77489595	6/3/2008	3,540,297	12/2/2008	Hollander Sleep Products, LLC	United States of America
DURAFIL	Registered	73657595	4/27/1987	1,473,201	1/19/1988	Hollander Sleep Products, LLC	United States of America
ECO-SMART	Registered	78924315	7/7/2006	3,538,930	11/25/2008	Hollander Sleep Products, LLC	United States of America
ECO-SMART	Registered	87203501	10/14/2016	5,336,781	11/14/2017	Hollander Sleep Products, LLC	United States of America
ELEMENTA	Registered	78778597	12/21/2005	3,665,120	8/4/2009	Hollander Sleep Products, LLC	United States of America
EMBRACE	Registered	74197577	8/23/1991	1,772,376	5/18/1993	Hollander Sleep Products, LLC	United States of America

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EMBRACE	Registered	77448341	4/15/2008	3,808,912	6/29/2010	Hollander Sleep Products, LLC	United States of America
EMCOMPASS	Registered	76121955	9/5/2000	2,569,503	5/14/2002	Hollander Sleep Products, LLC	United States of America
EURO REST	Registered	75852933	11/17/1999	2,663,759	12/17/2002	Hollander Sleep Products, LLC	United States of America
EURO STAR	Registered	76024225	4/12/2000	2,430,066	2/20/2001	Hollander Sleep Products, LLC	United States of America
EURODOWN	Registered	73546201	7/2/1985	1,411,336	9/30/1986	Hollander Sleep Products, LLC	United States of America
EUROFEATHER	Registered	76514399	5/15/2003	2,896,731	10/26/2004	Hollander Sleep Products, LLC	United States of America
EVEN EDGE	Registered	87277960	12/22/2016	5,245,937	7/18/2017	Hollander Sleep Products, LLC	United States of America
EVENREST	Registered	85032125	5/6/2010	4,071,381	12/13/2011	Hollander Sleep Products, LLC	United States of America
EVERLASTING LOFT	Registered	86024994	7/31/2013	4,893,314	1/26/2016	Hollander Sleep Products, LLC	United States of America
EXPAND A GRIP	Registered	74040636	3/21/1990	1,649,144	6/25/1991	Hollander Sleep Products, LLC	United States of America
EXPAND A GRIP and Design	Registered	77716514	4/17/2009	3,794,644	5/25/2010	Hollander Sleep Products, LLC	United States of America
FEATHER BEST	Registered	86553361	3/4/2015	4,994,980	7/5/2016	Hollander Sleep Products, LLC	United States of America
FEATHERSOFT	Registered	76016034	4/3/2000	2,499,127	10/16/2001	Hollander Sleep Products, LLC	United States of America
FILLED WITH THOUGHT	Registered	78760650	11/23/2005	3,671,015	8/18/2009	Hollander Sleep Products, LLC	United States of America
FLAWLESS FIT	Registered	85776309	11/9/2012	4,586,759	8/19/2014	Hollander Sleep Products, LLC	United States of America

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FLEXIBLE COMFORT	Registered	86783179	10/9/2015	4,987,328	6/28/2016	Hollander Sleep Products, LLC	United States of America
FLEXILOFT	Registered	76151853	10/23/2000	2,558,362	4/9/2002	Hollander Sleep Products, LLC	United States of America
FLEXO-TECH	Registered	87249386	11/28/2016	5,371,395	1/2/2018	Hollander Sleep Products, LLC	United States of America
FLUFFY FOR LIFE	Registered	87118751	7/27/2016	5,155,793	3/7/2017	Hollander Sleep Products, LLC	United States of America
FOREVER FIRM	Registered	85790985	11/29/2012	4,438,818	11/26/2013	Hollander Sleep Products, LLC	United States of America
FOREVER FIT	Registered	85766694	10/30/2012	4,478,885	2/4/2014	Hollander Sleep Products, LLC	United States of America
FOUR STAR	Registered	76345671	12/6/2001	2,692,542	3/4/2003	Hollander Sleep Products, LLC	United States of America
FRESHNESS ASSURED	Registered	76394171	4/10/2002	2,883,566	9/14/2004	Hollander Sleep Products, LLC	United States of America
GEN (Stylized)	Registered	85429472	9/22/2011	4,656,551	12/16/2014	Hollander Sleep Products, LLC	United States of America
GRAND EMBRACE	Registered	75455208	3/23/1998	2,244,631	5/11/1999	Hollander Sleep Products, LLC	United States of America
GRAND LOFT	Registered	86411802	10/1/2014	5,027,679	8/23/2016	Hollander Sleep Products, LLC	United States of America
GRAPH-X	Registered	86428704	10/20/2014	5,508,825	7/3/2018	Hollander Sleep Products, LLC	United States of America
GRAPH-X and Design	Registered	86428660	10/20/2014	5,508,824	7/3/2018	Hollander Sleep Products, LLC	United States of America
GREAT SLEEP	Registered	75472656	4/23/1998	2,301,602	12/21/1999	Hollander Sleep Products, LLC	United States of America
GREAT SLEEP	Registered	87203471	10/14/2016	5,530,920	7/31/2018	Hollander Sleep Products, LLC	United States of America

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GREATFIT	Registered	85766690	10/30/2012	4,359,455	6/25/2013	Hollander Sleep Products, LLC	United States of America
HEALTHY HOME	Registered	77848622	10/14/2009	4,335,138	5/14/2013	Hollander Sleep Products, LLC	United States of America
HEALTHY HOME	Registered	77848609	10/14/2009	3,771,544	4/6/2010	Hollander Sleep Products, LLC	United States of America
Heart Logo	Registered	87203489	10/14/2016	5,590,861	10/23/2018	Hollander Sleep Products, LLC	United States of America
HOLLANDER	Registered	74295197	7/15/1992	1,781,457	7/13/1993	Hollander Sleep Products, LLC	United States of America
HOLLANDER SLEEP PRODUCTS	Registered	86060516	9/10/2013	5,281,490	9/5/2017	Hollander Sleep Products, LLC	United States of America
HOMESPUN	Registered	85673317	7/10/2012	5,082,443	11/15/2016	Hollander Sleep Products, LLC	United States of America
HUGE	Registered	78320367	10/29/2003	2,926,375	2/15/2005	Hollander Sleep Products, LLC	United States of America
HUGE	Registered	75307538	6/12/1997	2,322,531	2/22/2000	Hollander Sleep Products, LLC	United States of America
HUNK	Registered	74281877	6/3/1992	1,747,136	1/19/1993	Hollander Sleep Products, LLC	United States of America
HUNK	Registered	86308201	6/12/2014	4,902,512	2/16/2016	Hollander Sleep Products, LLC	United States of America
HYDRAFRESH	Registered	86481949	12/16/2014	5,498,091	6/19/2018	Hollander Sleep Products, LLC	United States of America
HYDROGEL	Registered	87525570	7/12/2017	5,587,383	10/16/2018	Hollander Sleep Products, LLC	United States of America
HYDROGEL and Design	Registered	87308746	1/20/2017	5,284,781	9/12/2017	Hollander Sleep Products, LLC	United States of America
HYPERCLEAN	Registered	74648845	3/20/1995	2,065,582	5/27/1997	Hollander Sleep Products, LLC	United States of America

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I AM	Registered	87176737	9/20/2016	5,716,014	4/2/2019	Hollander Sleep Products, LLC	United States of America
I AM & DESIGN	Registered	75781525	8/23/1999	2,786,754	11/25/2003	Hollander Sleep Products, LLC	United States of America
IDEAL	Registered	77941722	2/22/2010	4,029,492	9/20/2011	Hollander Sleep Products, LLC	United States of America
INFINILOFT	Registered	86194562	2/14/2014	4,564,329	7/8/2014	Hollander Sleep Products, LLC	United States of America
INFINILOFT	Registered	86346952	7/24/2014	5,023,076	8/16/2016	Hollander Sleep Products, LLC	United States of America
INFINITY	Registered	86281974	5/15/2014	4,664,910	12/30/2014	Hollander Sleep Products, LLC	United States of America
INSULOFT	Registered	74682517	5/31/1995	1,964,294	3/26/1996	Hollander Sleep Products, LLC	United States of America
LC Boot Logo	Registered	86799359	10/26/2015	4,988,088	6/28/2016	Hollander Sleep Products, LLC	United States of America
LC Boot Logo	Registered	85426084	9/19/2011	4,433,022	11/12/2013	Hollander Sleep Products, LLC	United States of America
LC BOOT LOGO	Registered	86348011	7/25/2014	5,448,763	4/17/2018	Hollander Sleep Products, LLC	United States of America
LITE-LOFT	Registered	85933949	5/16/2013	4,458,890	12/31/2013	Hollander Sleep Products, LLC	United States of America
LIVE ACTIVE	Registered	85429497	9/22/2011	4,656,553	12/16/2014	Hollander Sleep Products, LLC	United States of America
LIVE COMFORTABLY	Registered	86799364	10/26/2015	4,988,089	6/28/2016	Hollander Sleep Products, LLC	United States of America
LIVE COMFORTABLY	Registered	86348023	7/25/2014	5,443,535	4/10/2018	Hollander Sleep Products, LLC	United States of America
LIVE COMFORTABLY	Registered	78115624	3/18/2002	2,751,427	8/12/2003	Hollander Sleep Products, LLC	United States of America

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LIVE COMFORTABLY	Registered	85426071	9/19/2011	4,448,232	12/10/2013	Hollander Sleep Products, LLC	United States of America
LIVE NOW!	Registered	85429491	9/22/2011	4,656,552	12/16/2014	Hollander Sleep Products, LLC	United States of America
LOVES TO BE WASHED	Registered	87079290	7/21/2016	5,145,463	2/21/2017	Hollander Sleep Products, LLC	United States of America
LUNALUXE	Registered	85473959	11/16/2011	4,369,363	7/16/2013	Hollander Sleep Products, LLC	United States of America
LUX LOFT	Registered	85137710	9/24/2010	4,471,153	1/21/2014	Hollander Sleep Products, LLC	United States of America
LUXEFILL	Registered	77912125	1/14/2010	3,941,758	4/5/2011	Hollander Sleep Products, LLC	United States of America
LUXEGUARD	Registered	77415386	3/6/2008	3,530,379	11/11/2008	Hollander Sleep Products, LLC	United States of America
LYOCELL DOWN	Registered	85795227	12/5/2012	4,599,592	9/9/2014	Hollander Sleep Products, LLC	United States of America
MAXILOFT	Registered	76151535	10/23/2000	2,747,902	8/5/2003	Hollander Sleep Products, LLC	United States of America
MICRO CLUSTER	Registered	74735992	9/29/1995	2,285,747	10/12/1999	Hollander Sleep Products, LLC	United States of America
MICROFIL	Registered	74465476	12/6/1993	1,932,149	10/31/1995	Hollander Sleep Products, LLC	United States of America
MICROGUARD	Registered	75083902	4/4/1996	2,221,909	2/2/1999	Hollander Sleep Products, LLC	United States of America
MICROMAX	Registered	86511410	1/22/2015	4,803,617	9/1/2015	Hollander Sleep Products, LLC	United States of America
NATURAL BALANCE	Registered	76386744	5/25/2002	2,952,284	5/17/2005	Hollander Sleep Products, LLC	United States of America
NECKRIGHT	Registered	85323141	5/17/2011	4,270,575	1/8/2013	Hollander Sleep Products, LLC	United States of America

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NEVER FLAT	Registered	78238885	4/17/2003	3,107,498	6/20/2006	Hollander Sleep Products, LLC	United States of America
NORTHERN STAR DOWN BLANKET	Registered	76024250	4/12/2000	2,551,812	3/26/2002	Hollander Sleep Products, LLC	United States of America
NOTION	Registered	78630881	5/16/2005	3,738,196	1/12/2010	Hollander Sleep Products, LLC	United States of America
NSP	Registered	85775084	11/8/2012	4,334,982	5/14/2013	Hollander Sleep Products, LLC	United States of America
OPTAFIL	Registered	74080092	7/20/1990	1,717,102	9/15/1992	Hollander Sleep Products, LLC	United States of America
OPULUXE	Registered	86498928	1/8/2015	5,161,606	3/14/2017	Hollander Sleep Products, LLC	United States of America
PACIFIC COAST	Registered	74648042	3/17/1995	1,949,211	1/16/1996	Hollander Sleep Products, LLC	United States of America
PACIFIC COAST	Registered	85626829	5/16/2012	4,495,425	3/11/2014	Hollander Sleep Products, LLC	United States of America
PACIFIC COAST	Registered	85770700	11/2/2012	4,429,909	11/5/2013	Hollander Sleep Products, LLC	United States of America
PACIFIC COAST	Registered	86442842	11/3/2014	4,743,698	5/26/2015	Hollander Sleep Products, LLC	United States of America
PACIFIC COAST	Registered	86847029	12/11/2015	5,007,654	7/26/2016	Hollander Sleep Products, LLC	United States of America
PACIFIC COAST FEATHER CO	Registered	86803847	10/29/2015	5,335,950	11/14/2017	Hollander Sleep Products, LLC	United States of America
PACIFIC COAST FEATHER CO SINCE 1884 and Design	Registered	86455279	11/14/2014	5,057,088	10/11/2016	Hollander Sleep Products, LLC	United States of America

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PACIFIC COAST FEATHER CO. SINCE 1884 and Design	Registered	75000867	10/2/1995	1,997,118	8/27/1996	Hollander Sleep Products, LLC	United States of America
PACIFIC COAST GRAND	Registered	76975951	11/5/2001	2,792,723	12/9/2003	Hollander Sleep Products, LLC	United States of America
PACIFIC PILLOWS	Registered	78696103	8/19/2005	4,721,903	4/21/2015	Hollander Sleep Products, LLC	United States of America
PEACHY	Registered	76024553	4/13/2000	2,489,420	9/11/2001	Hollander Sleep Products, LLC	United States of America
PERFECT REST	Registered	85164795	10/29/2010	4,547,877	6/10/2014	Hollander Sleep Products, LLC	United States of America
PERFECT SUPPORT	Registered	74640191	2/24/1995	2,005,391	10/1/1996	Hollander Sleep Products, LLC	United States of America
PERFECT-FOR-FOAM	Registered	86025000	7/31/2013	4,569,844	7/15/2014	Hollander Sleep Products, LLC	United States of America
PERFORMANCE GRIP	Registered	85776299	11/9/2012	4,905,430	2/23/2016	Hollander Sleep Products, LLC	United States of America
PHYSIOFORM	Registered	86014430	7/18/2013	4,594,242	8/26/2014	Hollander Sleep Products, LLC	United States of America
POLYFIBER COILS	Registered	75494639	6/1/1998	2,394,404	10/10/2000	Hollander Sleep Products, LLC	United States of America
POWER FILL	Registered	74450485	10/25/1993	2,072,070	6/17/1997	Hollander Sleep Products, LLC	United States of America
PRESTIGE	Registered	77755289	6/9/2009	4,063,779	11/29/2011	Hollander Sleep Products, LLC	United States of America
PROFORMANCE	Registered	78594110	3/24/2005	3,641,199	6/16/2009	Hollander Sleep Products, LLC	United States of America
PROGUARD	Registered	76102911	8/3/2000	2,531,647	1/22/2002	Hollander Sleep Products, LLC	United States of America

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PROGUARD	Registered	85776252	11/9/2012	4,905,429	2/23/2016	Hollander Sleep Products, LLC	United States of America
PURE SENSATION	Registered	86386221	9/5/2014	4,833,337	10/13/2015	Hollander Sleep Products, LLC	United States of America
RADIANCE	Registered	74494257	2/25/1994	1,928,681	10/17/1995	Hollander Sleep Products, LLC	United States of America
RELIAGRIP (STYLIZED)	Registered	76455729	10/4/2002	2,752,549	8/19/2003	Hollander Sleep Products, LLC	United States of America
REMMY	Registered	86088677	10/10/2013	4,600,145	9/9/2014	Hollander Sleep Products, LLC	United States of America
RENOVA	Registered	77922713	1/28/2010	4,049,909	11/1/2011	Hollander Sleep Products, LLC	United States of America
REPLENISH	Registered	85007635	4/6/2010	4,264,928	12/25/2012	Hollander Sleep Products, LLC	United States of America
REPLENISH	Registered	85007634	4/6/2010	4,264,927	12/25/2012	Hollander Sleep Products, LLC	United States of America
RESILIA	Registered	86340140	7/17/2014	4,911,903	3/8/2016	Hollander Sleep Products, LLC	United States of America
RESPONSIBLE LUXURY	Registered	86272989	5/6/2014	5,317,377	10/24/2017	Hollander Sleep Products, LLC	United States of America
RESTFUL NIGHTS	Registered	76463983	11/4/2002	2,747,025	8/5/2003	Hollander Sleep Products, LLC	United States of America
ROYALOFT (STYLIZED)	Registered	76556624	11/3/2003	2,901,394	11/9/2004	Hollander Sleep Products, LLC	United States of America
R-TECH	Registered	85029408	5/4/2010	4,060,884	11/22/2011	Hollander Sleep Products, LLC	United States of America
Running Human Logo	Registered	87203462	10/14/2016	5,590,860	10/23/2018	Hollander Sleep Products, LLC	United States of America
SECURE WEAVE	Registered	85796622	12/6/2012	4,549,360	6/10/2014	Hollander Sleep Products, LLC	United States of America

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SECUREFIT	Registered	76130775	9/20/2000	2,523,708	12/25/2001	Hollander Sleep Products, LLC	United States of America
SENSACOOL	Registered	85655930	6/19/2012	4,632,783	11/4/2014	Hollander Sleep Products, LLC	United States of America
SIDE-BY-SIDE	Registered	78745714	11/2/2005	3,189,146	12/26/2006	Hollander Sleep Products, LLC	United States of America
SIMPLE COMFORT	Registered	86259009	4/22/2014	4,960,759	5/17/2016	Hollander Sleep Products, LLC	United States of America
SIX STAR	Registered	76345672	12/6/2001	2,692,543	3/4/2003	Hollander Sleep Products, LLC	United States of America
SLEEP FOR SUCCESS	Registered	85109698	8/17/2010	4,195,182	8/21/2012	Hollander Sleep Products, LLC	United States of America
SLEEP FOR SUCCESS!	Registered	87662690	10/27/2017	5,578,548	10/9/2018	Hollander Sleep Products, LLC	United States of America
SLEEP SAFE	Registered	85631966	5/22/2012	5,241,684	7/11/2017	Hollander Sleep Products, LLC	United States of America
SLEEPSATIONS	Registered	85142876	10/1/2010	4,272,674	1/8/2013	Hollander Sleep Products, LLC	United States of America
SLUMBER CORE	Registered	76410016	5/20/2002	2,798,849	12/23/2003	Hollander Sleep Products, LLC	United States of America
SLUMBER'S ALLURE	Registered	85484782	12/1/2011	4,584,846	8/12/2014	Hollander Sleep Products, LLC	United States of America
SLUMBER'S ALLURE	Registered	85979427	12/1/2011	4,385,616	8/13/2013	Hollander Sleep Products, LLC	United States of America
SMART FOAM	Registered	75618046	1/9/1999	2,364,063	7/4/2000	Hollander Sleep Products, LLC	United States of America
SMART GRIP	Registered	85766699	10/30/2012	4,660,112	12/23/2014	Hollander Sleep Products, LLC	United States of America
SMARTFLEX	Registered	85133374	9/20/2010	4,143,506	5/15/2012	Hollander Sleep Products, LLC	United States of America

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
SMARTFLEX	Registered	85133384	9/20/2010	4,265,005	12/25/2012	Hollander Sleep Products, LLC	United States of America
SMOOTH GRIP	Registered	77700895	3/27/2009	3,761,840	3/16/2010	Hollander Sleep Products, LLC	United States of America
SMOOTH GRIP and Design	Registered	77716507	4/17/2009	3,791,297	5/18/2010	Hollander Sleep Products, LLC	United States of America
SNUG KNIT	Registered	76229652	3/26/2001	2,944,241	4/26/2005	Hollander Sleep Products, LLC	United States of America
SOMNUS	Registered	76580852	3/15/2004	2,951,135	5/17/2005	Hollander Sleep Products, LLC	United States of America
SOUTHERN STAR	Registered	76024251	4/12/2000	2,430,069	2/20/2001	Hollander Sleep Products, LLC	United States of America
STARLIGHT DUVET INSERT	Registered	76024226	4/12/2000	2,430,067	2/20/2001	Hollander Sleep Products, LLC	United States of America
STAYFLUFF	Registered	77814352	8/27/2009	3,877,872	11/16/2010	Hollander Sleep Products, LLC	United States of America
SUPER FILLED	Registered	85785361	11/21/2012	4,545,331	6/3/2014	Hollander Sleep Products, LLC	United States of America
SUPER FIT	Registered	85755198	10/16/2012	4,632,904	11/4/2014	Hollander Sleep Products, LLC	United States of America
SUPER SUPPORT	Registered	85371305	7/14/2011	4,344,316	5/28/2013	Hollander Sleep Products, LLC	United States of America
SUPERFLUFF	Registered	77645906	1/8/2009	4,276,011	1/15/2013	Hollander Sleep Products, LLC	United States of America
SUPERGRIP	Registered	77826176	9/14/2009	3,923,874	2/22/2011	Hollander Sleep Products, LLC	United States of America
SUPERSIDE	Registered	78381047	3/9/2004	2,984,220	8/9/2005	Hollander Sleep Products, LLC	United States of America
SUPRACELL	Registered	86241535	4/3/2014	4,698,518	3/10/2015	Hollander Sleep Products, LLC	United States of America

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
SUREHOLD	Registered	76107510	8/14/2000	2,587,466	7/2/2002	Hollander Sleep Products, LLC	United States of America
TERRALOFT	Registered	86625201	5/11/2016	5,096,349	12/6/2016	Hollander Sleep Products, LLC	United States of America
THE BEAST	Registered	86452246	11/12/2014	5,266,349	8/15/2017	Hollander Sleep Products, LLC	United States of America
THE JUMBO	Registered	78325794	11/10/2003	2,932,133	3/8/2005	Hollander Sleep Products, LLC	United States of America
THIS YEAR	Registered	85162559	10/27/2010	4,411,408	10/1/2013	Hollander Sleep Products, LLC	United States of America
TOUCH OF DOWN	Registered	78732065	10/12/2005	3,153,679	10/10/2006	Hollander Sleep Products, LLC	United States of America
TRANQUIL HARMONY	Registered	85484764	12/1/2011	4,251,405	11/27/2012	Hollander Sleep Products, LLC	United States of America
TRIA	Registered	77084967	1/17/2007	3,599,036	3/31/2009	Hollander Sleep Products, LLC	United States of America
TRILLIUM	Registered	78594123	3/24/2005	3,716,946	11/24/2009	Hollander Sleep Products, LLC	United States of America
TRI-LOFT	Registered	85135421	9/22/2010	4,335,240	5/14/2013	Hollander Sleep Products, LLC	United States of America
TRILOGY	Registered	74674187	5/15/1995	2,007,760	10/15/1996	Hollander Sleep Products, LLC	United States of America
TRIPLE COMFORT	Registered	86585852	4/2/2015	5,187,072	4/18/2017	Hollander Sleep Products, LLC	United States of America
TROPICAL STAR (STYLIZED)	Registered	76024227	4/12/2000	2,430,068	2/20/2001	Hollander Sleep Products, LLC	United States of America
TWO STAR (STYLIZED)	Registered	76345673	12/6/2001	2,692,544	3/4/2003	Hollander Sleep Products, LLC	United States of America
ULTIMATE FIT	Registered	86550234	3/2/2015	4,787,723	8/4/2015	Hollander Sleep Products, LLC	United States of America

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
UNCRUSHABLE (STYLIZED)	Registered	76462052	10/28/2002	3,294,379	9/18/2007	Hollander Sleep Products, LLC	United States of America
UNE VIE DOUILLETT	Registered	78157787	8/26/2002	2,851,928	6/8/2004	Hollander Sleep Products, LLC	United States of America
UNITED FEATHER & DOWN	Registered	87433862	5/2/2017	5728516	4/16/2019	United Feather & Down, LLC.	United States of America
US SMART	Registered	86020081	7/25/2013	4,657,173	12/16/2014	Hollander Sleep Products, LLC	United States of America
US SMART and Design	Registered	86020094	7/25/2013	4,657,174	12/16/2014	Hollander Sleep Products, LLC	United States of America
WAKE UP! AND LIVE	Registered	85250424	2/24/2011	4,564,473	7/8/2014	Hollander Sleep Products, LLC	United States of America
WHERE HOME IS ON THE WAY	Registered	85663071	6/27/2012	4,272,374	1/8/2013	Hollander Sleep Products, LLC	United States of America
WONDER LOFT	Registered	75383284	11/3/1997	2,362,736	6/27/2000	Hollander Sleep Products, LLC	United States of America
WON'T GO FLAT	Registered	85307645	4/28/2011	4,163,367	6/26/2012	Hollander Sleep Products, LLC	United States of America
WON'T GO FLAT	Registered	86599686	4/16/2015	4,915,237	3/8/2016	Hollander Sleep Products, LLC	United States of America
3W (Stylized)	Pending	87902261	5/1/2018			Hollander Sleep Products, LLC	United States of America
A WORLD OF COMFORT	Pending	87708942	12/5/2017			Hollander Sleep Products, LLC	United States of America
ALLSLEEP	Pending	88290665	2/6/2019			Hollander Sleep Products, LLC	United States of America
AQUACHILL	Pending	88208272	11/28/2018			Hollander Sleep Products, LLC	United States of America
ARCTIC DOWN	Pending	87662622	10/27/2017			Hollander Sleep Products, LLC	United States of America

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
ARCTIC FRESH	Pending	88253450	1/8/2019			Hollander Sleep Products, LLC	United States of America
BLUE DIAMOND	Pending	88186043	11/8/2018			Hollander Sleep Products, LLC	United States of America
COMFORT '365	Pending	86959503	3/31/2016			Hollander Sleep Products, LLC	United States of America
COMFORT '365 (Design)	Pending	88129193	9/24/2018			Hollander Sleep Products, LLC	United States of America
COMFORT-LITE	Pending	88285679	2/1/2019			Hollander Sleep Products, LLC	United States of America
DIAMONDCOOL	Pending	88219720	12/6/2018			Hollander Sleep Products, LLC	United States of America
ECO-SMART	Pending	88219558	12/6/2018			Hollander Sleep Products, LLC	United States of America
EMBRACE	Pending	88279342	1/28/2019			Hollander Sleep Products, LLC	United States of America
FLEXILOFT (STYLIZED)	Pending	88219808	12/6/2018			Hollander Sleep Products, LLC	United States of America
GREAT SLEEP	Pending	87927118	5/18/2018			Hollander Sleep Products, LLC	United States of America
GREAT SLEEP	Pending	88175067	10/30/2018			Hollander Sleep Products, LLC	United States of America
GREAT SLEEP	Pending	88308125	2/20/2019			Hollander Sleep Products, LLC	United States of America
GREAT THINGS COME FROM GREAT SLEEP	Pending	88158144	10/17/2018			Hollander Sleep Products, LLC	United States of America
HEALTHY LIVING	Pending	86436763	10/28/2014			Hollander Sleep Products, LLC	United States of America
HYDROCOOL	Pending	87166802	9/9/2016			Hollander Sleep Products, LLC	United States of America

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
I AM	Pending	87927124	5/18/2018			Hollander Sleep Products, LLC	United States of America
I AM	Pending	88127310	9/21/2018			Hollander Sleep Products, LLC	United States of America
I AM	Pending	88175746	10/31/2018			Hollander Sleep Products, LLC	United States of America
I AM	Pending	88295982	2/11/2019			Hollander Sleep Products, LLC	United States of America
I AM	Pending	88295968	2/11/2019			Hollander Sleep Products, LLC	United States of America
I AM	Pending	88295953	2/11/2019			Hollander Sleep Products, LLC	United States of America
I AM	Pending	88295961	2/11/2019			Hollander Sleep Products, LLC	United States of America
I AM	Pending	88295943	2/11/2019			Hollander Sleep Products, LLC	United States of America
I AM	Pending	88295894	2/11/2019			Hollander Sleep Products, LLC	United States of America
I AM	Pending	88295902	2/11/2019			Hollander Sleep Products, LLC	United States of America
I AM	Pending	87691276	11/20/2017			Hollander Sleep Products, LLC	United States of America
I AM YOGA	Pending	87742061	1/3/2018			Hollander Sleep Products, LLC	United States of America
LIVE COMFORTABLY	Pending	87931722	5/22/2018			Hollander Sleep Products, LLC	United States of America
LIVECOMFORTABLY (Stylized)	Pending	88310029	2/21/2019			Hollander Sleep Products, LLC	United States of America
LYODOWN	Pending	88212430	11/30/2018			Hollander Sleep Products, LLC	United States of America

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
LYODOWN SURROUND	Pending	88212247	11/30/2018			Hollander Sleep Products, LLC	United States of America
MIRACLE FIBER	Pending	86929044	3/4/2016			Hollander Sleep Products, LLC	United States of America
MIRACLE FIBER	Pending	87153590	8/29/2016			Hollander Sleep Products, LLC	United States of America
NATURAL ELEMENTS	Pending	87308348	1/20/2017			Hollander Sleep Products, LLC	United States of America
NATURALLY COOL	Pending	88134008	9/27/2018			Hollander Sleep Products, LLC	United States of America
NEVERFLAT	Pending	87509017	6/28/2017			Hollander Sleep Products, LLC	United States of America
OPTITEMP	Pending	88258277	1/11/2019			Hollander Sleep Products, LLC	United States of America
PACIFIC COAST FEATHER CO	Pending	88158175	10/17/2018			Hollander Sleep Products, LLC	United States of America
PERFECT REST	Pending	88279357	1/28/2019			Hollander Sleep Products, LLC	United States of America
POP CORNER	Pending	88176018	10/31/2018			Hollander Sleep Products, LLC	United States of America
RESPONSIBLE LUXURY	Pending	88219562	12/6/2018			Hollander Sleep Products, LLC	United States of America
SLEEP 4 A's	Pending	88176004	10/31/2018			Hollander Sleep Products, LLC	United States of America
SLZZP	Pending	87304233	1/17/2017			Hollander Sleep Products, LLC	United States of America
SMARTFLEX	Pending	88167359	10/24/2018			Hollander Sleep Products, LLC	United States of America
STRETCHFIT	Pending	88258336	1/11/2019			Hollander Sleep Products, LLC	United States of America

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
TECHNOLOGY THAT ADAPTS TO YOUR COMFORT	Pending	88175996	10/31/2018			Hollander Sleep Products, LLC	United States of America
TEMPZONE	Pending	88258284	1/11/2019			Hollander Sleep Products, LLC	United States of America
Three Arc Design	Pending	87784733	2/5/2018			Hollander Sleep Products, LLC	United States of America
TRI-COOL	Pending	87691494	11/20/2017			Hollander Sleep Products, LLC	United States of America
TWICE COOL	Pending	86924842	3/1/2016			Hollander Sleep Products, LLC	United States of America
US SMART	Pending	88219557	12/6/2018			Hollander Sleep Products, LLC	United States of America
US SMART & Design	Pending	88219553	12/6/2018			Hollander Sleep Products, LLC	United States of America
V-NECK	Pending	88279329	1/28/2019			Hollander Sleep Products, LLC	United States of America

CANADIAN TRADEMARK REGISTRATIONS AND APPLICATIONS:

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
A WORLD OF COMFORT	Registered	1752828	10/30/2015	TMA999,487	6/20/2018	Hollander Sleep Products, LLC	Canada
A.H.F.	Registered	1421286	12/10/2008	TMA758656	2/2/2010	Hollander Sleep Products, LLC	Canada

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
ACTIVECOOL	Registered	1654979	12/5/2013	TMA957136	12/5/2016	Hollander Sleep Products, LLC	Canada
AFFIRM	Registered	1481169	5/14/2010	TMA826628	6/19/2012	Hollander Sleep Products, LLC	Canada
AHF & DESIGN	Registered	1421287	12/10/2008	TMA758655	2/2/2010	Hollander Sleep Products, LLC	Canada
ALLERREST	Registered	1209830	3/16/2004	TMA711231	4/8/2008	Hollander Sleep Products, LLC	Canada
ALLER-SURE	Registered	1442239	6/19/2009	TMA854200	6/28/2013	Hollander Sleep Products, LLC	Canada
ALLERX	Registered	1371733	11/13/2007	TMA748573	9/23/2009	Hollander Sleep Products, LLC	Canada
ARCTIC FRESH	Registered	1498171	10/1/2010	TMA916923	10/13/2015	Hollander Sleep Products, LLC	Canada

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
BABY BLUE	Registered	1487405	7/5/2010	TMA796525	5/2/2011	Hollander Sleep Products, LLC	Canada
BARRIER WEAVE	Registered	1501835	10/29/2010	TMA833243	9/28/2012	Hollander Sleep Products, LLC	Canada
BASIC COMFORT	Registered	1477224	4/16/2010	TMA791232	2/21/2011	Hollander Sleep Products, LLC	Canada
BED ARMOR	Registered	1168865	2/21/2003	TMA643658	7/6/2005	Hollander Sleep Products, LLC	Canada
BEYOND COMFORT	Registered	1440876	6/9/2009	TMA875807	4/15/2014	Hollander Sleep Products, LLC	Canada
BEYOND DOWN	Registered	1555263	12/7/2011	TMA838340	12/12/2012	Hollander Sleep Products, LLC	Canada
BEYOND SLEEP	Registered	1320820	10/19/2006	TMA783454	11/25/2010	Hollander Sleep Products, LLC	Canada

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
BIG COMFORT	Registered	1418469	11/17/2008	TMA757693	1/22/2010	Hollander Sleep Products, LLC	Canada
BIO-BAG	Registered	1424031	1/9/2009	TMA762644	3/25/2010	Hollander Sleep Products, LLC	Canada
BIO-BAG...& DESIGN	Registered	1424136	1/12/2009	TMA763908	4/12/2010	Hollander Sleep Products, LLC	Canada
BIOCRYSTAL	Registered	1439354	5/27/2009	TMA766718	5/13/2010	Hollander Sleep Products, LLC	Canada
BREATHE WELL	Registered	894571	10/27/1998	TMA553109	10/31/2001	Hollander Sleep Products, LLC	Canada
BREATHE-COOL	Registered	1672011	4/9/2014	TMA992765	3/20/2018	Hollander Sleep Products, LLC	Canada
BREATHEWELL	Registered	1705939	12/5/2014	TMA995431	4/27/2018	Hollander Sleep Products, LLC	Canada

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
BUG BLOCK	Registered	1517755	3/4/2011	TMA817566	2/14/2012	Hollander Sleep Products, LLC	Canada
CANADA SMART	Registered	1637354	7/30/2013	TMA962733	2/14/2017	Hollander Sleep Products, LLC	Canada
CANADA SMART Logo	Registered	1655188	12/6/2013	TMA954199	11/3/2016	Hollander Sleep Products, LLC	Canada
CANNSTATTER	Registered	1442808	6/25/2009	TMA881243	7/4/2014	Hollander Sleep Products, LLC	Canada
CAPTURE TOP	Registered	1371711	11/13/2007	TMA757842	1/26/2010	Hollander Sleep Products, LLC	Canada
CHAMBERCOMBE	Registered	1461288	12/2/2009	TMA822977	4/26/2012	Hollander Sleep Products, LLC	Canada
CLEAN COMFORT	Registered	1371773	11/13/2007	TMA729336	11/24/2008	Hollander Sleep Products, LLC	Canada

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
CLEAN LIVING	Registered	1385283	2/28/2008	TMA729332	11/24/2008	Hollander Sleep Products, LLC	Canada
CLEANLOFT	Registered	1386815	3/11/2008	TMA729334	11/24/2008	Hollander Sleep Products, LLC	Canada
CLEAR FRESH	Registered	1534918	7/8/2011	TMA910814	8/11/2015	Hollander Sleep Products, LLC	Canada
CLUSTAIRE	Registered	1309744	7/19/2006	TMA795171	4/11/2011	Hollander Sleep Products, LLC	Canada
CLUSTER PUFF	Registered	1221423	6/23/2004	TMA662003	3/31/2006	Hollander Sleep Products, LLC	Canada
COMFORT CORE	Registered	0848198	6/17/1997	TMA593052	10/24/2003	Hollander Sleep Products, LLC	Canada
COMFORT LOCK	Registered	0768647	11/15/1994	TMA488350	1/27/1998	Hollander Sleep Products, LLC	Canada

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
COMFORT WRAP	Registered	1394765	5/8/2008	TMA763665	4/8/2010	Hollander Sleep Products, LLC	Canada
CONFORMANCE	Registered	1603389	11/21/2012	TMA965187	3/8/2017	Hollander Sleep Products, LLC	Canada
CONFORT ET RESPECT DE L'ENVIRO	Registered	1377886	1/3/2008	TMA735,546	3/3/2009	Hollander Sleep Products, LLC	Canada
CORE SLEEP	Registered	1540395	8/19/2011	TMA883014	7/29/2014	Hollander Sleep Products, LLC	Canada
COTON D'OR	Registered	1379243	1/15/2008	TMA729330	11/24/2008	Hollander Sleep Products, LLC	Canada
COTTON D'OR	Registered	1379251	1/15/2008	TMA729331	11/24/2008	Hollander Sleep Products, LLC	Canada
CRYSTALLINE	Registered	1700233	10/29/2014	TMA984,327	11/6/2017	Hollander Sleep Products, LLC	Canada

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
CUDDLESOFT	Registered	1254954	4/21/2005	TMA661418	3/24/2006	Hollander Sleep Products, LLC	Canada
DOUBLE STUFF	Registered	1603384	11/21/2012	TMA918325	10/26/2015	Hollander Sleep Products, LLC	Canada
DOWN AROUND	Registered	0818663	7/23/1996	TMA502795	10/26/1998	Hollander Sleep Products, LLC	Canada
DOWN CRADLE	Registered	1438962	5/22/2009	TMA826867	6/21/2010	Hollander Sleep Products, LLC	Canada
DOWN ENHANCE	Registered	1458920	11/12/2009	TMA831845	9/12/2012	Hollander Sleep Products, LLC	Canada
DOWN ENRAPTURE	Registered	1556714	12/16/2011	TMA921503	11/27/2015	Hollander Sleep Products, LLC	Canada
DOWN SURROUND	Registered	1603711	11/23/2012	TMA879063	5/29/2014	Hollander Sleep Products, LLC	Canada

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
DOWN WRAP	Registered	1442733	6/25/2009	TMA768528	6/2/2010	Hollander Sleep Products, LLC	Canada
DOWNLOCK	Registered	0768646	11/15/1994	TMA511258	4/28/1999	Hollander Sleep Products, LLC	Canada
DOWNWORKS	Registered	1603385	11/21/2012	TMA918328	10/26/2015	Hollander Sleep Products, LLC	Canada
DREAM SOLUTIONS	Registered	1304909	6/9/2006	TMA805965	9/2/2011	Hollander Sleep Products, LLC	Canada
DREAMSCAPE	Registered	846340	5/28/1997	537853	11/28/2000	Hollander Sleep Products, LLC	Canada
DUAL ZONE	Registered	1398619	1/9/2007	TMA810191	10/25/2011	Hollander Sleep Products, LLC	Canada
EARTH ESSENTIALS	Registered	1378501	1/9/2008	TMA762747	3/26/2010	Hollander Sleep Products, LLC	Canada

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
ECOCOMFORT	Registered	1387259	3/13/2008	TMA729339	11/24/2008	Hollander Sleep Products, LLC	Canada
EUROFEATHER	Registered	0782569	5/10/1995	TMA492650	4/8/1998	Hollander Sleep Products, LLC	Canada
EVENDREAM	Registered	1441466	6/15/2009	TMA849032	4/19/2013	Hollander Sleep Products, LLC	Canada
EXPAND A GRIP and Design	Registered	1435253	4/21/2009	TMA822446	4/18/2012	Hollander Sleep Products, LLC	Canada
EXPAND-A-GRIP	Registered	0666903	9/20/1990	TMA402264	9/4/1992	Hollander Sleep Products, LLC	Canada
FLAWLESS FIT	Registered	1625829	5/8/2013	TMA937108	5/6/2016	Hollander Sleep Products, LLC	Canada
FOREVER FIRM	Registered	1606548	12/13/2012	TMA918324	10/26/2015	Hollander Sleep Products, LLC	Canada

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
FOREVER FIT	Registered	1655830	12/11/2013	TMA917331	10/16/2015	Hollander Sleep Products, LLC	Canada
GEN Stylized	Registered	1547226	10/11/2011	TMA933616	4/4/2016	Hollander Sleep Products, LLC	Canada
GRAND LOFT	Registered	1696599	10/3/2014	TMA982124	10/4/2017	Hollander Sleep Products, LLC	Canada
GREAT SLEEP	Registered	1544177	9/20/2011	TMA831859	9/12/2012	Hollander Sleep Products, LLC	Canada
HEALTHY HOME	Registered	829436	11/20/1996	494,096	5/7/1998	Hollander Sleep Products, LLC	Canada
HEALTHY LIVING	Registered	1384373	2/21/2008	TMA785748	12/22/2010	Hollander Sleep Products, LLC	Canada
HOLLANDER HOME FASHIONS	Registered	543705	6/13/1985	322219	12/26/1986	Hollander Sleep Products, LLC	Canada

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
HUGE	Registered	1489883	7/23/2010	TMA854631	7/5/2013	Hollander Sleep Products, LLC	Canada
HUNK	Registered	0746734	2/1/1994	TMA443659	6/9/1995	Hollander Sleep Products, LLC	Canada
HYDRAFRESH	Registered	1716186	2/20/2015	TMA959519	1/9/2017	Hollander Sleep Products, LLC	Canada
HYDROCOOL	Registered	1653474	11/25/2013	TMA960082	1/12/2017	Hollander Sleep Products, LLC	Canada
HYPERCLEAN	Registered	0782570	5/10/1995	TMA522690	2/7/2000	Hollander Sleep Products, LLC	Canada
HYPERCOOL	Registered	1720665	3/24/2015	TMA1008609	11/9/2018	Hollander Sleep Products, LLC	Canada
I AM	Registered	1814488	12/15/2016	TMA995331	4/26/2018	Hollander Sleep Products, LLC	Canada

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
IDEAL	Registered	1470983	2/25/2010	TMA836196	11/9/2012	Hollander Sleep Products, LLC	Canada
INFINILOFT	Registered	1598576	10/17/2012	TMA926730	1/21/2016	Hollander Sleep Products, LLC	Canada
LBC	Registered	1486934	6/29/2010	TMA797668	5/16/2011	Hollander Sleep Products, LLC	Canada
LBC CANADA	Registered	1486935	6/29/2010	TMA797667	5/16/2011	Hollander Sleep Products, LLC	Canada
LC Boot Logo	Registered	1545110	9/26/2011	TMA694979	8/11/2016	Hollander Sleep Products, LLC	Canada
LC Boot Logo	Registered	1752829	10/30/2015	TMA999949	6/28/2018	Hollander Sleep Products, LLC	Canada
LITE-LOFT	Registered	1655829	12/11/2013	TMA957,841	12/13/2016	Hollander Sleep Products, LLC	Canada

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
LIVE ACTIVE	Registered	1547220	10/11/2011	TMA933,843	4/6/2016	Hollander Sleep Products, LLC	Canada
LIVE COMFORTABLY	Registered	1151245	8/29/2002	TMA620,784	9/28/2004	Hollander Sleep Products, LLC	Canada
LIVE COMFORTABLY	Registered	1545102	9/26/2011	TMA964994	3/7/2017	Hollander Sleep Products, LLC	Canada
LIVE COMFORTABLY	Registered	1752655	10/29/2015	TMA999951	6/28/2018	Hollander Sleep Products, LLC	Canada
LIVE NOW	Registered	1547219	10/11/2011	TMA933604	4/4/2016	Hollander Sleep Products, LLC	Canada
LOVES TO BE WASHED	Registered	1716144	2/20/2015	TMA949671	9/19/2016	Hollander Sleep Products, LLC	Canada
LUXEGUARD	Registered	1300562	5/5/2006	TMA774802	8/17/2010	Hollander Sleep Products, LLC	Canada

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
LUXIA	Registered	1615486	2/25/2013	TMA888541	10/22/2014	Hollander Sleep Products, LLC	Canada
LUX-LOFT	Registered	1665911	2/28/2014	TMA1008353	11/6/2018	Hollander Sleep Products, LLC	Canada
LUNALUXE	Registered	1552990	11/21/2011	TMA979323	8/24/2017	Hollander Sleep Products, LLC	Canada
MICROMAX	Registered	1713441	2/2/2015	TMA966629	3/23/2017	Hollander Sleep Products, LLC	Canada
MIRACLE DREAMS	Registered	1390225	4/7/2008	TMA742935	7/2/2009	Hollander Sleep Products, LLC	Canada
MODERN HOME	Registered	1389289	3/31/2008	TMA729329	11/24/2008	Hollander Sleep Products, LLC	Canada
NATIONAL SLEEP PRODUCTS	Registered	0782145	5/5/1995	TMA494924	5/20/1998	Hollander Sleep Products, LLC	Canada

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
NATURAL BALANCE	Registered	1477078	4/15/2010	TMA875808	4/15/2014	Hollander Sleep Products, LLC	Canada
NATURAL ELEMENTS	Registered	1395929	5/15/2008	TMA755671	12/18/2009	Hollander Sleep Products, LLC	Canada
NATURAL LIVING	Registered	1155201	10/8/2002	TMA651523	10/26/2005	Hollander Sleep Products, LLC	Canada
NATURAL SLUMBER	Registered	1477260	4/16/2010	TMA878554	5/23/2014	Hollander Sleep Products, LLC	Canada
NEVER FLAT	Registered	1270917	9/2/2005	TMA669,135	8/2/2006	Hollander Sleep Products, LLC	Canada
NSP	Registered	1603382	11/21/2012	TMA918288	10/26/2015	Hollander Sleep Products, LLC	Canada
PACIFIC COAST	Registered	0787886	7/19/1995	TMA467336	12/9/1996	Hollander Sleep Products, LLC	Canada

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
PACIFIC COAST	Registered	1595092	9/20/2012	TMA909705	7/28/2015	Hollander Sleep Products, LLC	Canada
PACIFIC COAST	Registered	1602737	11/16/2012	TMA920131	11/13/2015	Hollander Sleep Products, LLC	Canada
PACIFIC COAST FEATHER CO SINCE	Registered	1708504	12/22/2014	TMA988,348	1/12/2018	Hollander Sleep Products, LLC	Canada
PACIFIC COAST FEATHER COMPANY	Registered	1760510	12/21/2015	TMA967093	3/29/2017	Hollander Sleep Products, LLC	Canada
POWER SLEEP	Registered	1548332	10/19/2011	TMA917149	10/15/2015	Hollander Sleep Products, LLC	Canada
POWERLOFT	Registered	1140435	5/13/2002	TMA598840	1/8/2004	Hollander Sleep Products, LLC	Canada
PROFORMANCE	Registered	1277594	10/28/2005	TMA788243	1/21/2011	Hollander Sleep Products, LLC	Canada

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
PROGUARD	Registered	1603391	11/21/2012	TMA998241	6/6/2018	Hollander Sleep Products, LLC	Canada
PÜR COMFORT	Registered	1558617	1/5/2012	TMA839518	1/8/2013	Hollander Sleep Products, LLC	Canada
PÜR SUPPORT	Registered	1558618	1/5/2012	TMA839517	1/8/2013	Hollander Sleep Products, LLC	Canada
PÜR VALUE	Registered	1558619	1/5/2012	TMA844892	2/27/2013	Hollander Sleep Products, LLC	Canada
QUEST	Registered	1510560	1/10/2011	TMA815264	1/10/2012	Hollander Sleep Products, LLC	Canada
RELIAGRIP (STYLIZED)	Registered	1476545	4/12/2010	TMA800129	6/16/2011	Hollander Sleep Products, LLC	Canada
RENOVA	Registered	1487429	7/5/2010	TMA854513	7/4/2013	Hollander Sleep Products, LLC	Canada

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
RESILIA	Registered	1685975	7/18/2014	TMA974466	6/27/2017	Hollander Sleep Products, LLC	Canada
RESTFUL NIGHTS	Registered	1166003	1/27/2003	TMA658115	2/6/2006	Hollander Sleep Products, LLC	Canada
SENSACOOL	Registered	1583150	6/21/2012	TMA973842	6/19/2017	Hollander Sleep Products, LLC	Canada
SIDE-BY-SIDE	Registered	1278498	11/4/2005	TMA697400	9/27/2007	Hollander Sleep Products, LLC	Canada
SILVER SURE	Registered	1361794	8/30/2007	TMA791673	2/25/2011	Hollander Sleep Products, LLC	Canada
SIMPLE COMFORT	Registered	1312384	7/31/2006	TMA693163	7/31/2007	Hollander Sleep Products, LLC	Canada
SLEEP CLASSICS	Registered	1450539	9/3/2009	TMA773119	7/28/2010	Hollander Sleep Products, LLC	Canada

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
SLEEPSATIONS	Registered	1341356	3/29/2007	TMA793831	3/25/2011	Hollander Sleep Products, LLC	Canada
SLEEPSATIONS	Registered	1498089	10/1/2010	TMA812456	11/23/2011	Hollander Sleep Products, LLC	Canada
SLZZP	Registered	1818741	1/18/2017	TMA1002051	8/2/2018	Hollander Sleep Products, LLC	Canada
SMART FIBRE	Registered	1275403	10/12/2005	TMA740173	5/14/2009	Hollander Sleep Products, LLC	Canada
SMARTFLEX	Registered	1500121	10/18/2010	TMA878219	5/20/2014	Hollander Sleep Products, LLC	Canada
SMOOTH GRIP	Registered	1432902	3/30/2009	TMA822189	4/16/2012	Hollander Sleep Products, LLC	Canada
SMOOTH GRIP and Design	Registered	1435254	4/21/2009	TMA822445	4/18/2012	Hollander Sleep Products, LLC	Canada

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
SNUG KNIT	Registered	1103001	5/15/2001	TMA667734	7/14/2006	Hollander Sleep Products, LLC	Canada
STRATUS	Registered	1442058	6/18/2009	TMA848287	4/11/2013	Hollander Sleep Products, LLC	Canada
STRETCHFIT	Registered	1082908	11/16/2000	TMA599736	1/16/2004	Hollander Sleep Products, LLC	Canada
STUDENT CHOICE	Registered	1371683	11/6/2007	TMA729335	11/24/2008	Hollander Sleep Products, LLC	Canada
STUDENT EDITIONS	Registered	1371654	11/5/2007	TMA729333	11/24/2008	Hollander Sleep Products, LLC	Canada
SUPER FIT	Registered	1598577	10/17/2012	TMA965370	3/10/2017	Hollander Sleep Products, LLC	Canada
SUPERGRIP	Registered	1451988	9/16/2009	TMA828203	7/17/2012	Hollander Sleep Products, LLC	Canada

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
SUPERSIDE	Registered	1452964	9/24/2009	TMA834458	10/17/2012	Hollander Sleep Products, LLC	Canada
SUPERSIDE	Registered	1225865	8/4/2004	TMA641078	6/1/2005	Hollander Sleep Products, LLC	Canada
THE BLUE WHALE	Registered	0858547	10/14/1997	TMA498787	8/17/1998	Hollander Sleep Products, LLC	Canada
THE BLUE WHALE	Registered	1504934	11/23/2010	TMA807902	9/28/2011	Hollander Sleep Products, LLC	Canada
TOP SHIELD	Registered	1458051	11/5/2009	TMA781429	11/2/2010	Hollander Sleep Products, LLC	Canada
TOUCH OF DOWN	Registered	1277793	10/31/2005	TMA710684	4/1/2008	Hollander Sleep Products, LLC	Canada
TRIA	Registered	1332303	2/23/2007	TMA811790	11/16/2011	Hollander Sleep Products, LLC	Canada

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
TRILLIUM	Registered	1340704	3/23/2007	TMA805969	9/2/2011	Hollander Sleep Products, LLC	Canada
TRUECLEAN	Registered	1487425	7/5/2010	TMA881261	7/4/2014	Hollander Sleep Products, LLC	Canada
ULTRA ESSENCE	Registered	1533355	6/27/2011	TMA879395	6/4/2014	Hollander Sleep Products, LLC	Canada
UNE VIE DOUILLETT	Registered	1151246	8/29/2002	TMA638,406	4/27/2005	Hollander Sleep Products, LLC	Canada
3W (Stylized)	Pending	1897263	5/3/2018			Hollander Sleep Products, LLC	Canada
ARCTIC DOWN	Pending	1903904	6/12/2018			Hollander Sleep Products, LLC	Canada
ARCTIC FRESH	Pending	1940803	1/15/2019			Hollander Sleep Products, LLC	Canada

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
DIAMONDCOOL	Pending	1705941	12/5/2014			Hollander Sleep Products, LLC	Canada
DIET EXERCISE SLEEP Arrows Logo	Pending	1903763	6/12/2018			Hollander Sleep Products, LLC	Canada
DURAFIL	Pending	1882474	2/9/2018			Hollander Sleep Products, LLC	Canada
ECO-SMART	Pending	1935566	12/12/2018			Hollander Sleep Products, LLC	Canada
ECO-SMART	Pending	1818740	1/18/2017			Hollander Sleep Products, LLC	Canada
EMBRACE	Pending	1944396	2/4/2019			Hollander Sleep Products, LLC	Canada
FLEXILOFT	Pending	1948064	2/25/2019			Hollander Sleep Products, LLC	Canada

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
FLEXILOFT (STYLIZED)	Pending	1935546	12/12/2018			Hollander Sleep Products, LLC	Canada
GREAT SLEEP	Pending	1900368	5/22/2018			Hollander Sleep Products, LLC	Canada
GREAT THINGS COME FROM GREAT SLEEP	Pending	1927369	10/26/2018			Hollander Sleep Products, LLC	Canada
I AM	Pending	1935568	12/12/2018			Hollander Sleep Products, LLC	Canada
I AM	Pending	1945575	2/11/2019			Hollander Sleep Products, LLC	Canada
I AM	Pending	1945574	2/11/2019			Hollander Sleep Products, LLC	Canada
I AM	Pending	1945584	2/11/2019			Hollander Sleep Products, LLC	Canada

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
I AM	Pending	1945583	2/11/2019			Hollander Sleep Products, LLC	Canada
I AM	Pending	1945582	2/11/2019			Hollander Sleep Products, LLC	Canada
I AM	Pending	1945581	2/11/2019			Hollander Sleep Products, LLC	Canada
I AM	Pending	1945578	2/11/2019			Hollander Sleep Products, LLC	Canada
I AM	Pending	1846279	7/7/2017			Hollander Sleep Products, LLC	Canada
I AM	Pending	1900369	5/22/2018			Hollander Sleep Products, LLC	Canada
I AM	Pending	1825704	3/3/2017			Hollander Sleep Products, LLC	Canada

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
LIVE COMFORTABLY	Pending	1900537	5/23/2018			Hollander Sleep Products, LLC	Canada
EVEN COOLER	Pending	1819177	1/20/2017			Hollander Sleep Products, LLC	Canada
NATURAL ELEMENTS	Pending	1819507	1/24/2017			Hollander Sleep Products, LLC	Canada
OPTITEMP	Pending	1941279	1/17/2019			Hollander Sleep Products, LLC	Canada
PACIFIC COAST FEATHER CO	Pending	1927365	10/26/2018			Hollander Sleep Products, LLC	Canada
PERFECT REST	Pending	1944398	2/4/2019			Hollander Sleep Products, LLC	Canada
POP CORNER	Pending	1928679	11/5/2018			Hollander Sleep Products, LLC	Canada

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
RESPONSIBLE LUXURY	Pending	1935556	12/12/2018			Hollander Sleep Products, LLC	Canada
RESPONSIBLE LUXURY	Pending	1948060	2/25/2019			Hollander Sleep Products, LLC	Canada
SLEEP 4 A'S	Pending	1928705	11/5/2018			Hollander Sleep Products, LLC	Canada
SMARTFLEX	Pending	1927370	10/26/2018			Hollander Sleep Products, LLC	Canada
TECHNOLOGY THAT ADAPTS TO YOUR COMFORT	Pending	1928695	11/5/2018			Hollander Sleep Products, LLC	Canada
TEMPZONE	Pending	1941283	1/17/2019			Hollander Sleep Products, LLC	Canada
TRI-COOL	Pending	1903632	6/11/2018			Hollander Sleep Products, LLC	Canada

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
TRI-COOL	Pending	1905773	6/22/2018			Hollander Sleep Products, LLC	Canada
WON'T GO FLAT	Pending	1810952	11/23/2016			Hollander Sleep Products, LLC	Canada

SCHEDULE 6(h)

INTELLECTUAL PROPERTY MATTERS

None.

SCHEDULE 7

NAME; CHIEF EXECUTIVE OFFICE; TAX IDENTIFICATION NUMBERS AND ORGANIZATIONAL NUMBERS

Legal Name	Chief Executive Office	Organizational Number	Federal Taxpayer Identification Number	Jurisdiction of Formation
Hollander Sleep Products, LLC	901 Yamato Rd, Suite 250 Boca Raton, Florida 33431	4707584	27-0542143	Delaware
Hollander Home Fashions Holdings, LLC	901 Yamato Rd, Suite 250 Boca Raton, Florida 33431	4707581	27-0542063	Delaware
Hollander Sleep Products Kentucky, LLC	901 Yamato Rd, Suite 250 Boca Raton, Florida 33431	5391198	90-1014119	Delaware
Dream II Holdings, LLC	330 Madison Avenue, 27th Floor New York, NY 10017	5573985	47-1927915	Delaware
Pacific Coast Feather, LLC	1964 Fourth Avenue South Seattle, WA 98134	6446302	91-0891445	Delaware
Pacific Coast Feather Cushion, LLC	7600 Industry Avenue Pico Rivera, CA 90660	6445445	93-1063119	Delaware

SCHEDULE 8

OWNED REAL PROPERTY

Loan Party	Address	County	State
Pacific Coast Feather, LLC	220 Miriam Street Henderson, NC 27536	Vance	North Carolina

SCHEDULE 9

DEPOSIT ACCOUNTS AND SECURITIES ACCOUNTS

OWNER	TYPE OF ACCOUNT	BANK OR INTERMEDIARY NAME AND ADDRESS	ACCOUNT NUMBERS	EXCLUDED Y/N
Hollander Sleep Products, LLC	Plant Payroll	Wells Fargo Bank 5131 Congress Ave Boca Raton, FL 33487	4123486169	Y
Hollander Sleep Products, LLC	Depository Account	Wells Fargo Bank 350 East Las Olas Blvd Fort Lauderdale, FL 33301	4965524234	N
Hollander Sleep Products, LLC	Operating Account	Wells Fargo Bank 350 East Las Olas Blvd Fort Lauderdale, FL 33301	4965524226	N
Hollander Sleep Products, LLC	Disbursement Account	Wells Fargo Bank 350 East Las Olas Blvd Fort Lauderdale, FL 33301	8019001471	Y
Pacific Coast Feather, LLC	Merchant Deposit	Wells Fargo Bank 5355 Town Center Road Ste 301 Boca Raton, FL 33486	4089248066	N
Dream II Holdings, LLC	US$ Depository Account - Pacific Coast Feather, LLC	Wells Fargo Bank 5355 Town Center Road Ste 301 Boca Raton, FL 33486	4218612851	Y
Dream II Holdings, LLC	US$ Depository Account - Pacific Coast Feather Cushion, LLC	Wells Fargo Bank 5355 Town Center Road Ste 301 Boca Raton, FL 33486	4249792581	Y
Dream II Holdings, LLC	Operating - Healthcomp	Wells Fargo Bank 5355 Town Center Road Ste 301 Boca Raton, FL 33486	801-9060451	Y
Pacific Coast Feather Cushion, LLC	Manual check book	Wells Fargo Bank 5355 Town Center Road Ste 301 Boca Raton, FL 33486	449-1312005	N
Pacific Coast Feather Cushion, LLC	Merchant Deposit	Wells Fargo Bank 5355 Town Center Road Ste 301 Boca Raton, FL 33486	461-10587339	N

SCHEDULE 10

CONTROLLED ACCOUNT BANKS

Schedule 9 is herein incorporated by reference, other than with respect to Excluded Deposit Accounts and Securities Accounts.

SCHEDULE 11

LIST OF UNIFORM COMMERCIAL CODE FILING JURISDICTIONS

Grantor	Jurisdiction
Hollander Sleep Products, LLC	Delaware Secretary of State
Dream II Holdings, LLC	Delaware Secretary of State
Hollander Home Fashions Holdings, LLC	Delaware Secretary of State
Hollander Sleep Products Kentucky, LLC	Delaware Secretary of State
Pacific Coast Feather, LLC	Delaware Secretary of State
Pacific Coast Feather Cushion, LLC	Delaware Secretary of State

Exhibit C to the Amended and Restated Restructuring Support and Settlement Agreement

Exit Term Loan Commitment Letter

Execution Version

CONFIDENTIAL

May 19, 2019

Hollander Sleep Products, LLC
6501 Congress Avenue
Suite 300
Boca Raton, FL 33487
Attention: Marc Pfefferle

Hollander Sleep Products, LLC
$30,000,000 New Money Exit Term Loan Facility
Exit Backstop Commitment Letter

Mr. Pfefferle:

Reference is made to:

- that certain Term Loan Credit Agreement, dated as of June 9, 2017, by and among Hollander Sleep Products, LLC ("HSP"), the guarantors party thereto, the lenders from time to time party thereto (the "Pre-Petition Term Lenders"), and Barings Finance LLC, as the administrative agent for the Pre-Petition Term Lenders (the "Pre-Petition Term Agent"), as the same may be amended, supplemented, waived or otherwise modified from time to time;

- that certain Restructuring Support Agreement, dated as of the date hereof, between HSP, the Pre-Petition Term Agent, certain of the Pre-Petition Term Lenders, and certain other parties thereto; and

- the Summary of Proposed Terms and Conditions attached hereto as Exhibit A (the "Exit Term Loan Term Sheet" and, together with this letter, the "Exit Backstop Commitment Letter").

Capitalized terms used herein without definition have the meanings assigned to such terms in the Exit Term Loan Term Sheet.

Backstop Commitments.

Each of the undersigned (collectively, the "Exit Backstop Commitment Parties" and each individually, an "Exit Backstop Commitment Party") hereby, severally but not jointly, (i) commits to provide (directly and/or through one or more of its affiliates, accounts managed or sub-managed by it or its affiliates and direct or indirect subsidiaries, each such affiliate, account subsidiary or any other lender under the Exit Term Loan Facility, as hereinafter defined, an "Exit Backstop Lender") its pro rata share (such commitment, the "Pro Rata Share Commitment") set forth on Schedule I hereto of a $30,000,000 senior secured term loan credit facility (the "New Money Exit Term Loan Facility") to HSP (the "Borrower"), which such Pro Rata Share Commitment shall be automatically increased ratably in accordance with each Exit Backstop Commitment Party's Pro Rata Share Commitment until such calculation results in the full amount of the New Money Exit Term Loan Facility being committed (the "Backstop Commitment") and (ii) commits to roll-up its portion (and the portion held by its affiliates, accounts managed or sub-

managed by it or its affiliates and direct or indirect subsidiaries) of the $28,000,000 DIP Term Loan Facility as Rolled Exit Term Loans (as defined in the Exit Term Loan Term Sheet) (the "Rollup Exit Commitment"). Each Exit Backstop Commitment Party's Backstop Commitment shall be determined as set forth in the preceding sentence on the date that is one (1) business day after the entry of the Final DIP Order; provided, however, that each Exit Backstop Commitment Party's Backstop Commitment in respect of the New Money Exit Term Loan Facility shall be reduced proportionately (based upon its Pro Rata Share Commitment) by any commitment to provide the New Money Exit Term Loan Facility that is assigned to and assumed in writing by one or more lenders on or prior to the Closing Date, subject to the provisions under "Assignments and Amendments" below.

The New Money Exit Term Loan Facility, along with the roll-up of the outstanding obligations of the Borrower under its post-petition superpriority senior secured debtor-in-possession term loan credit agreement as Rolled Exit Term Loans, are the "Exit Term Loan Facility".

Conditions Precedent.

The Exit Backstop Commitment Parties' commitments to fund the Exit Term Loan Facility (and their Rollup Exit Commitments) are subject to satisfaction or waiver by the Exit Backstop Commitment Parties of the following conditions precedent:

(i) there shall not exist any breach, violation or default under this Exit Backstop Commitment Letter;

(ii) the execution of definitive documentation evidencing the Exit Term Loan Facility on substantially the terms set forth in the Exit Term Loan Term Sheet and otherwise reasonably satisfactory to the Exit Backstop Commitment Parties and you;

(iii) HSP shall have filed, no later than 10 days after the commencement of the Chapter 11 Cases, a motion in the Chapter 11 Cases seeking approval of the Bankruptcy Court to assume this Exit Backstop Commitment Letter and to authorize the payment of all fees set forth in the Fee Letter (as defined below).

(iv) the Bankruptcy Court shall have entered, no later than 40 days after the scheduled first day hearing in the Chapter 11 Cases, an order approving the assumption of this Exit Backstop Commitment Letter and authorizing the payment of all fees set forth in the Fee Letter;

(v) no later than the date the Bankruptcy Court enters an order confirming a plan of reorganization in the Bankruptcy Cases, HSP shall have entered into a commitment letter reasonably acceptable to the Exit Backstop Commitment Parties with respect to the funding of an exit asset-backed credit facility;

(vi) payment of all fees then due and owing pursuant to this Exit Backstop Commitment Letter, the Fee Letter, and any other fees agreed to in writing by the Debtors and the Exit Backstop Commitment Parties in connection with the Exit Term Loan Facility; and

(vii) the satisfaction of (or express written waiver by each of the Exit Backstop Commitment Parties of) each of the conditions set forth under the section

heading "Conditions Precedent to the Closing of the Exit Term Loan Facility" set forth in the Exit Term Loan Term Sheet.

Expenses.

Regardless of whether the Exit Term Loan Facility closes, you hereby agree to pay or reimburse the Exit Backstop Commitment Parties for all reasonable and documented out-of-pocket expenses incurred by the Exit Backstop Commitment Parties, their affiliates or funds managed or sub-managed by the Exit Backstop Commitment Parties (whether incurred before or after the date hereof) in connection with the Exit Term Loan Facility (including, but not limited to, (a) all reasonable costs and out-of-pocket expenses of one primary legal counsel and, if necessary, one local counsel in all appropriate jurisdictions for all Exit Backstop Commitment Parties), and (b) all reasonable and documented costs and out-of-pocket expenses of one financial advisor (if any) for all Exit Backstop Commitment Parties).

Confidentiality.

You agree that you will not disclose, directly or indirectly, this Exit Backstop Commitment Letter and the contents hereof or the Fee Letter dated as of the date hereof (the "Fee Letter") among the Exit Backstop Commitment Parties and the Borrower and the contents thereof or the Exit Backstop Commitment Parties' involvement with the Exit Term Loan Facility to any third party (including, without limitation, any financial institution or intermediary) without each Exit Backstop Commitment Party's prior written consent, other than to (a) those individuals who are your directors, officers, employees, attorneys, agents or advisors in connection with the Exit Term Loan Facility; provided that this Exit Backstop Commitment Letter may be disclosed to (i) Sentinel Capital Partners, L.L.C. and its affiliates, and its directors, officers, employees, attorneys, agents and advisors, and (ii) to the providers of your debtor-in-possession asset-backed revolving credit facility in the Chapter 11 Cases and to the providers of any asset-backed revolving credit facility to be provided to the Borrower upon emerging from bankruptcy and their officers, employees, attorneys, agents and advisors, in each case on a confidential basis (it being understood any such disclosure pursuant to this clause (a)(ii) shall be limited to a general description of the fees to be paid and does not authorize the distribution of the Fee Letter to such persons), (b) the Bankruptcy Court (as defined in the DIP Term Loan Credit Agreement) for approval of this Exit Backstop Commitment Letter, (c) any official committee appointed in the Chapter 11 Cases and their respective legal and financial advisers, (d) as may be compelled in a judicial or administrative proceeding or as otherwise required by law (in which case you agree to inform the Exit Backstop Commitment Parties promptly thereof), (e) to the extent necessary in connection with the exercise of any remedies or enforcement of any rights hereunder and (f) other recipients as required by the Bankruptcy Court, or as part of the Borrower and its subsidiaries' disclosure statement soliciting votes in support of a plan of reorganization, whether before or after the commencement of the Chapter 11 Cases (it being understood any such disclosure pursuant to this clause (f) shall be limited to a general description of the fees to be paid in the Borrower's solicitation materials and does not authorize the distribution, filing with the Bankruptcy Court, or other action that results in the Fee Letter being made available to such other recipients). Except in connection with the disclosure statement soliciting votes in support of a plan of reorganization, you agree to inform all such persons who receive information concerning this Exit Backstop Commitment Letter or the Fee Letter that such information is confidential and may not be used for any other purpose. The Exit Backstop Commitment Parties reserve the right to review and approve, in advance, all materials, press releases, advertisements and disclosures that contain their name or any name of any affiliate or the name of any account managed or sub-

managed by, or any related fund of, the Exit Backstop Commitment Parties or describe their respective financing commitments (such approval not to be unreasonably withheld, delayed or conditioned).

The Borrower hereby agrees that if the Fee Letter is required to be filed with any bankruptcy court or disclosed to any U.S. Trustee for purposes of obtaining approval to pay any fees provided for therein or otherwise, then it shall promptly notify the Exit Backstop Commitment Parties and take all commercially reasonable actions necessary to prevent the Fee Letter from becoming publicly available, including, without limitation, filing a motion pursuant to sections 105(a) and 107(b) of the Bankruptcy Code and Rule 9018 of the Federal Rules of Bankruptcy Procedure seeking a bankruptcy court order authorizing the Borrower to file the Fee Letter under seal to the maximum extent permitted by applicable law; provided, however, that if the applicable bankruptcy court or applicable law does not permit such filing under seal, then any such filing shall be redacted to the maximum extent permitted by such bankruptcy court and such law. Notwithstanding the "Survival" section herein, the obligations of the foregoing sentence shall survive any termination or completion of the arrangement provided by this Exit Backstop Commitment Letter.

Indemnity.

Regardless of whether the Exit Term Loan Facility closes or is closed, you agree to (a) indemnify, defend and hold each of the Exit Backstop Commitment Parties, and their respective affiliates and funds managed or advised by the Exit Backstop Commitment Parties or their affiliates and the principals, directors, officers, employees, representatives, agents, attorneys and third party advisors of each of them (each, an "Indemnified Person"), harmless from and against all losses, disputes, claims, investigations, litigation, proceedings, expenses (including, but not limited to, attorneys' fees), damages, and liabilities of any kind to which any Indemnified Person may become subject arising out of or in connection with any claim, litigation, investigation or proceeding (any of the foregoing, a "Proceeding") relating to or in connection with this Exit Backstop Commitment Letter, the Fee Letter, the Exit Term Loan Facility, the use or the proposed use of the proceeds thereof, or any other transaction contemplated by this Exit Backstop Commitment Letter (each, a "Claim", and collectively, the "Claims"), regardless of whether such Indemnified Person is a party thereto (and regardless of whether such matter is initiated by a third party, you, or any of your or its respective affiliates), and (b) reimburse each Indemnified Person upon demand (together with reasonably detailed backup documentation in summary form supporting such demand) for all reasonable and documented legal and other out-of-pocket expenses incurred in connection with investigating, preparing to defend or defending, or providing evidence in or preparing to serve or serving as a witness with respect to, any Proceeding (each, an "Expense") by one counsel to the Indemnified Persons taken as a whole and, if necessary, one firm of local counsel in each appropriate jurisdiction to the Indemnified Persons taken as a whole, and, in the case of an actual conflict of interest, one additional counsel to the affected Indemnified Persons taken as a whole; provided that no Indemnified Person shall be entitled to indemnity hereunder in respect of any Claim or Expense to the extent that the same (i) is found by a final, non-appealable judgment of a court of competent jurisdiction to have resulted from the gross negligence, willful misconduct or bad faith of such Indemnified Person or any of its affiliates and their principals, directors, officers, employees, representatives, agents, attorneys or third party advisors, (ii) is found by a final, non-appealable judgment of a court of competent jurisdiction to have resulted from a material breach of the obligations of such Indemnified Person or any of its affiliates and their principals, directors, officers, employees, representatives, agents, attorneys or third party advisors under this Exit Backstop Commitment Letter or (iii) arises from any dispute among Indemnified Persons that does not involve or relate

to an act or omission by you and that is brought by an Indemnified Person against another Indemnified Person. Notwithstanding any other provision of this Exit Backstop Commitment Letter, and without limitation of your indemnification and reimbursement obligations set forth herein, no party hereto shall be liable for any special, indirect, consequential or punitive damages in connection with the Exit Term Loan Facilities, this Exit Backstop Commitment Letter, the Exit Term Loan Term Sheet, the Fee Letter or any other transaction contemplated hereby or thereby; provided that this foregoing sentence shall not limit your indemnity obligations to the extent set forth above in respect of any actual Claims and Expenses incurred or paid by an Indemnified Person to a third party unaffiliated with the Exit Backstop Commitment Parties that are otherwise required to be indemnified in accordance with the terms hereof.

Furthermore, you hereby acknowledge and agree that the use of electronic transmission is not necessarily secure and that there are risks associated with such use, including risks of interception, disclosure and abuse. You agree to assume and accept such risks and hereby authorize the use of transmission of electronic transmissions, and that none of the Exit Backstop Commitment Parties nor any of their respective affiliates will have any liability for any damages arising from the use of such electronic transmission systems, except to the extent such damages have been found by a final, non-appealable judgment of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of such Exit Backstop Commitment Party or any of its affiliates and their principals, directors, officers, employees, representatives, agents, attorneys or third party advisors.

Notwithstanding the above, (a) you shall not be liable for any settlement of any Proceedings effected without your consent (which consent shall not be unreasonably conditioned, withheld or delayed), but if settled with your written consent or if there is a judgment for the plaintiff against any Indemnified Person in any such Proceedings, you agree to indemnify and hold harmless each Indemnified Person from and against any and all Claims and Expenses by reason of such settlement or judgment in accordance with this section and (b) each Indemnified Person shall be obligated to refund or return any and all amounts paid by you under the preceding paragraph to such Indemnified Person for any losses, claims, damages liabilities or expenses to the extent such Indemnified Person is not entitled to payment of such amounts in accordance with the terms hereof. You shall not, without the prior written consent of an Indemnified Person (which consent shall not be unreasonably conditioned, withheld or delayed), effect any settlement or consent to the entry of any judgment of any pending or threatened Proceedings in respect of which indemnity could have been sought hereunder by such Indemnified Person unless such settlement (i) includes an unconditional release of such Indemnified Person from all liability or claims that are the subject matter of such Proceedings, (ii) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnified Person and (iii) contains customary confidentiality and nondisparagement provisions.

In the event that an Indemnified Person is requested or required to appear as a witness in any action brought by or on behalf of or against you or any of your subsidiaries or affiliates in which such Indemnified Person is not named as a defendant, or a demand to produce documents or otherwise respond to discovery requests is made on an Indemnified Person, you agree to reimburse such Indemnified Person for all reasonable expenses incurred by it in connection with such Indemnified Person's appearing and preparing to appear as such a witness, including, without limitation, the reasonable fees and expenses of its legal counsel.

Sharing Information; Absence of Fiduciary Relationship.

You acknowledge that the Exit Backstop Commitment Parties and their respective affiliates may be providing debt financing, equity capital or other services to other companies with which you may have conflicting interests. Neither the Exit Backstop Commitment Parties nor any of their affiliates will use confidential information obtained from you by virtue of the transactions contemplated by this Exit Backstop Commitment Letter or its other relationships with you in connection with the performance by it of services for other persons, and neither the Exit Backstop Commitment Parties nor any of their affiliates will furnish any such information to other persons except as permitted under the "Confidentiality" section herein. You further acknowledge and agree that (a) no fiduciary, advisory or agency relationship between you and any of the Exit Backstop Commitment Parties has been or will be created in respect of any of the transactions contemplated by this Exit Backstop Commitment Letter, irrespective of whether the Exit Backstop Commitment Parties and/or their respective affiliates have advised or are advising you on other matters and (b) you will not assert any claim against any of the Exit Backstop Commitment Parties for breach or alleged breach of fiduciary duty in respect of any of the transactions contemplated by this Exit Backstop Commitment Letter and agree that none of the Exit Backstop Commitment Parties shall have any direct or indirect liability to you in respect of such a fiduciary duty claim or to any person asserting a fiduciary duty claim on behalf of or in right of you, including your stockholders, employees or creditors.

Assignments and Amendments.

This Exit Backstop Commitment Letter shall not be assignable by you without the prior written consent of each of the Exit Backstop Commitment Parties (and any purported assignment without such consent shall be null and void), and is solely for the benefit of the parties hereto and is not intended to confer any benefits upon, or create any rights in favor of, any person other than the parties hereto and the Indemnified Persons. The Exit Backstop Commitment Parties may assign their respective commitments hereunder, in whole or in part, (i) to any of their affiliates, any funds or accounts managed, advised, sub-managed or sub-advised by them or their affiliates, or (ii) subject to the prior written consent of the Borrower (such consent not to be unreasonably withheld or delayed) to any prospective lender under the Exit Term Loan Facility; provided that, (unless such assignee enters into a separate letter agreement with you affirming its commitments on the same terms as set forth herein with respect to such assigned portion of the commitments (such agreement not to be unreasonably conditioned, withheld or delayed by you)), any such assignment shall not release them of the obligations hereunder and each Exit Backstop Commitment Party shall retain exclusive control over all rights and obligations with respect to its commitments hereunder, including all rights with respect to consents, modifications, supplements, waivers and amendments, until after the closing and funding of the Exit Term Loan Facility has occurred. This Exit Backstop Commitment Letter may not be amended or waived except in a written instrument signed by you and the Exit Backstop Commitment Parties.

Counterparts and Governing Law.

This Exit Backstop Commitment Letter may be executed in counterparts, each of which shall be deemed an original and all of which counterparts shall constitute one and the same document. Delivery of an executed signature page of this Exit Backstop Commitment Letter by facsimile or electronic (including "PDF") transmission shall be effective as delivery of a manually executed counterpart hereof.

The laws of the State of New York shall govern all matters arising out of, in connection with or relating to this Exit Backstop Commitment Letter, including, without limitation, its validity,

interpretation, construction, performance and enforcement and any claims sounding in contract law or tort law arising out of the subject matter hereof.

Venue and Submission to Jurisdiction.

The parties hereto consent and agree that the federal bankruptcy court located in the Southern District of New York, shall have exclusive jurisdiction to hear and determine any claims or disputes between or among any of the parties hereto pertaining to this Exit Backstop Commitment Letter and the Fee Letter, any other transaction relating hereto or thereto, and any investigation, litigation, or proceeding in connection with, related to or arising out of any such matters or, if that court does not have subject matter jurisdiction, then the U.S. District Court for the Southern District of New York shall have such exclusive jurisdiction or, if that court does not have subject matter jurisdiction, then any state court located in New York County, State of New York shall have such exclusive jurisdiction; provided, that the parties hereto acknowledge that any appeal from those courts may have to be heard by a court located outside of such jurisdiction. The parties hereto expressly submit and consent in advance to such jurisdiction in any action or suit commenced in any such court, and hereby waive any objection, which each of the parties may have based upon lack of personal jurisdiction, improper venue or inconvenient forum.

Waiver of Jury Trial.

THE PARTIES HERETO, TO THE EXTENT PERMITTED BY LAW, WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT, OR PROCEEDING ARISING OUT OF, IN CONNECTION WITH OR RELATING TO, THIS EXIT BACKSTOP COMMITMENT LETTER, THE FEE LETTER, AND ANY OTHER TRANSACTION RELATED HERETO OR THERETO. THIS WAIVER APPLIES TO ANY ACTION, SUIT OR PROCEEDING WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE.

Survival.

The provisions of this letter set forth under this heading and the headings “Expenses”, “Confidentiality”, “Indemnity”, “Sharing Information; Absence of Fiduciary Relationship”, “Assignments and Amendments”, “Counterparts and Governing Law”, “Venue and Submission to Jurisdiction” and “Waiver of Jury Trial” shall survive the termination or expiration of this Exit Backstop Commitment Letter and shall remain in full force and effect regardless of whether the Exit Term Loan Facility is closed or the credit documentation with respect to the Exit Term Loan Facility shall be executed and delivered; provided that if the Exit Term Loan Facility is closed and the credit documentation with respect to the Exit Term Loan Facility shall be executed and delivered, the provisions under the heading “Expenses”, “Confidentiality”, “Indemnity”, and “Sharing Information; Absence of Fiduciary Relationship” shall be superseded and deemed replaced by the terms of the credit documentation with respect to the Exit Term Loan Facility governing such matters.

Integration.

This Exit Backstop Commitment Letter and the Fee Letter supersede any and all discussions, negotiations, understandings or agreements, written or oral, express or implied, between or among the parties hereto and their affiliates as to the subject matter hereof.

Patriot Act.

The Exit Backstop Commitment Parties hereby notify you that pursuant to the requirements of the USA PATRIOT Act, Title III of Pub. L. 107-56 (signed into law October 26, 2001) (the "PATRIOT Act"), each Exit Backstop Lender may be required to obtain, verify and record information that identifies the Borrower and each guarantor, which information includes the name, address, tax identification number and other information regarding the Borrower and each guarantor that will allow such Exit Backstop Lender to identify the Borrower and each guarantor in accordance with the PATRIOT Act. This notice is given in accordance with the requirements of the PATRIOT Act and is effective as to each Exit Backstop Lender.

Please indicate your acceptance of the terms hereof by signing in the appropriate space below. Unless extended in writing by the Exit Backstop Commitment Parties, the commitments and agreements of the Exit Backstop Parties contained herein (subject to the provisions under the heading "Survival") shall automatically expire on the first to occur of (a) 5:00 p.m. New York time on October 17, 2019, and (b) execution and delivery of the credit documentation with respect to the Exit Term Loan Facility and funding and/or roll-up of the Exit Term Loan Facility.

Very truly yours,

CERTAIN FUNDS AND INVESTMENT ACCOUNTS MANAGED BY BARINGS LLC

By: [redacted]
Name:
Title:

PENNANTPARK INVESTMENT CORPORATION

By: [redacted]
Name:
Title:

PENNANTPARK FLOATING RATE FUNDING I, LLC

By: [redacted]
Name:
Title:

PENNANTPARK CREDIT OPPORTUNITIES FUND II, LP

By: [redacted]
Name:
Title:

Accepted and agreed to as of
the date first written above:

HOLLANDER SLEEP PRODUCTS, LLC

By:_____
Name: Marc L. Pfefferle
Title: Chief Executive Officer

Schedule I

Exit Backstop Lender	Pro Rata Share Commitment for New Money Exit Term Loan Facility
Barings	[redacted]
PennantPark Investment Corporation	
Total	**100.0%**

EXHIBIT A

[Exit Term Loan Term Sheet]

HOLLANDER SLEEP PRODUCTS, LLC, et al.
EXIT TERM FACILITY TERM SHEET

Capitalized terms used but not defined in this Exhibit A (this "Term Sheet") shall have the meanings ascribed thereto in the Commitment Letter to which this Exhibit A is attached (the "Commitment Letter"). In the case of any such capitalized term that is subject to multiple and differing definitions, the appropriate meaning thereof in this Exhibit A shall be determined by reference to the context in which it is used.[1]

Borrower:	Hollander Sleep Products, LLC, as a reorganized debtor (the "Borrower") upon emergence from a case filed under Chapter 11 of Title 11 of the United States Code ("Chapter 11") in the United States Bankruptcy Court for the Southern District of New York (together with the Chapter 11 cases (collectively, the "Chapter 11 Cases") of the Borrower's affiliated debtors and debtors in possession (collectively with the Borrower, the "Debtors").
Guarantors:	Each of (i) the Borrower's existing and future direct and indirect domestic subsidiaries, (ii) all Guarantors (each as a reorganized debtor) under the Prepetition Term Loan Credit Agreement and other Loan Documents (collectively, the "Prepetition Term Loan Documents"), and (iii) any holding company or other parent directly holding the equity interests in Borrower (other than any entity or other vehicle established by the lenders who are granted the equity interests in the reorganized Loan Parties pursuant to the approved plan of reorganization for the Debtors in the Chapter 11 Cases) ((i), (ii) and (iii) collectively, the "Guarantors"; together with the Borrower, each individually a "Loan Party", and collectively, the "Loan Parties"), on a joint and several basis. Exclusions for newly formed or acquired subsidiaries after the Closing Date (as defined below) shall be consistent with the Documentation Principles (as defined below).
Exit Term Loan Agent:	Barings Finance LLC (in such capacity, together with its successors

[1] Reference is hereby made (i) to that certain Term Loan Credit Agreement dated as of June 9, 2017 by and among Dream II Holdings, LLC and Hollander Home Fashions Holdings, LLC, as parent guarantors, Hollander Sleep Products, LLC, as borrower, the lenders parties thereto (the "Prepetition Term Loan Lenders"), and Barings Finance LLC, as administrative agent (as amended, modified, restated or otherwise supplemented from time to time, the "Prepetition Term Loan Credit Agreement"), (ii) that certain Third Amended and Restated Credit Agreement dated as of June 9, 2017 by and among Wells Fargo Bank, National Association, as agent, sole lead arranger and sole book runner, the lenders parties thereto, Dream II Holdings, LLC as parent, and Hollander Home Fashions Holdings, LLC, Hollander Sleep Products, LLC, Hollander Sleep Products Kentucky, LLC, Hollander Sleep Products Canada Limited, Pacific Coast Feather Company, and Pacific Coast Feather Cushion Co., as borrowers (as amended, modified, restated or otherwise supplemented from time to time, the "Prepetition ABL Credit Agreement") and (iii) that certain Intercreditor Agreement dated as of June 9, 2017 between the agents to the Prepetition Term Loan and ABL Credit Agreements (the "Prepetition ICA"). Capitalized terms use, but not defined herein, shall have the meanings ascribed to such terms in the Prepetition Term Loan Credit Agreement.

and assigns, the "Exit Term Loan Agent").

Exit Lenders: Barings Finance LLC and the other Exit Backstop Commitment Parties, together with any other lenders under the debtor-in-possession term loan credit agreement (the "DIP Term Loan Credit Agreement," the facility thereunder, the "DIP Term Loan Facility," and the lenders thereto, the "DIP Term Loan Lenders") who choose, directly or through one or more affiliated funds or financing vehicles (or funds or accounts advised or sub-advised by such person) to finance their respective pro rata portion of the Exit Term Loan Facility (as defined below) (the "Exit Lenders"; and together with the Exit Backstop Commitment Parties, the "Exit Term Loan Lenders").

Type and Amount of the Exit Term Loan Facility: A non-amortizing senior secured first-lien term loan facility in an aggregate principal amount not to exceed $58 million (the "Exit Term Loan Facility"; the loans under the Exit Term Loan Facility, the "Exit Term Loans") comprised of a $28 million roll-up and/or refinancing of the outstanding DIP Term Loan Facility (the "Rolled Exit Term Loans") and $30 million of "new money" Exit Term Loans (the "New Money Exit Term Loans" and the facility related thereto, the "New Money Exit Term Loan Facility") to be advanced on the Closing Date. The Rolled Exit Term Loans shall rank pari passu to the New Money Exit Term Loans.

The full amount of the New Money Exit Term Loans shall be drawn on the Closing Date.

Maturity Date: 36 month anniversary of the closing date (the "Closing Date") of the Exit Term Loan Facility.

Exit ABL Facility A senior secured first-lien exit asset-based-lending facility to be supplied (the "Exit ABL Facility")[2] to the borrowers under the Prepetition ABL Credit Agreement, the terms of which shall be reasonably acceptable to the Exit Term Loan Agent and Exit Backstop Commitment Parties. The Exit ABL Facility shall provide for (i) either (x) a roll-up of obligations under the DIP ABL Facility (including all obligations relating to letters of credit and bank product obligations) or (y) a refinancing and replacement of the DIP ABL Facility, and (ii) a roll-up of the $15,000,000 principal amount of obligations representing Last Out DIP Obligations (as defined in the DIP Term Loan Credit Agreement). Upon the Closing Date, the Last Out DIP Obligations shall be "rolled" into the Exit ABL Facility on the terms set forth therein and herein, including the same priority and security interests

[2] The credit agreement evidencing the DIP ABL Facility, the "DIP ABL Credit Agreement," and the DIP ABL Credit Agreement together with the other documents evidencing the DIP ABL Facility, the "DIP ABL Documents".

with respect to the ABL Priority Collateral and Term Loan Priority Collateral as existed pursuant to the Prepetition ICA.

Use of Proceeds: The proceeds of the Exit Term Loans (other than roll-up of the DIP Term Loan Facility) will be used to fund certain payments required to be made by the Loan Parties under the Plan, the Exit Term Loan Credit Agreement (as defined below) and the DIP Term Loan Credit Agreement, to pay fees and expenses in connection with the transactions occurring on the effective date of the Plan and for working capital and general corporate purposes of the Loan Parties (including, without limitation certain capital expenditures). Once repaid, the Exit Term Loans may not be reborrowed.

Documentation: The Exit Term Loan Facility will be evidenced by a credit agreement (the "Exit Term Loan Credit Agreement"), security documents, guarantees, an intercreditor agreement with the agent for any Exit ABL Facility (the "Exit Intercreditor Agreement") and other legal documentation (collectively, together with the Exit Term Credit Agreement, the "Exit Term Loan Documents") containing the terms set forth in the Commitment Letter to which this Term Sheet is attached, including this Term Sheet, and such other terms as the Borrower and the Exit Term Loan Agent shall agree; it being understood and agreed that the Exit Term Loan Documents shall: (a) be substantially similar to the definitive documentation for the DIP Term Loan Credit Agreement (excluding provisions customary for DIP financings and not exit financings), (b) give due regard to (i) the operational requirements of the Loan Parties in light of their consolidated capital structure, size, industries, businesses and business practices (including, without limitation, the leverage profile and projected free cash flow generation of the Loan Parties), in each case, after giving effect to the Plan Effective Date, and (ii) the operational and administrative changes mutually agreed by the Exit Term Loan Agent and the Borrower, (c) not be subject to any conditions to the availability and initial funding of the Credit Facilities on the Closing Date other than the conditions set forth in the Commitment Letter and the Exclusive Funding Conditions set forth herein, and (d) to contain representations & warranties, affirmative covenants, negative covenants and other terms substantially similar to those in the DIP Term Loan Credit Agreement (excluding provisions customary for DIP financings and not exit financings) with mutually agreed changes (including those set forth herein), including without limitation to conform to customary terms for exit financings and give due regard to the operational requirements of the Loan Parties in light of their consolidated capital structure, size, industry, business and business practices (including, without limitation, the leverage profile and projected free cash flow generation). The foregoing requirements and principles shall be referred to herein as the "Documentation

Principles".

Interest: LIBOR + 15.0% (1.0% payable in cash, with the balance payable in kind).

Automatically upon the occurrence of and during the continuance of a payment or bankruptcy default or event of default under the Exit Term Loan Documents, and after written notice from the Exit Term Loan Agent or the Required Lenders (as defined below) upon the occurrence of and during the continuance of any other default or an event of default under the Exit Term Loan Documents, the Exit Term Loans will bear interest at an additional 2.0% *per annum* payable in cash.

Fees: As set forth in the Fee Letter, and:

Upfront Fee: An upfront fee of 3.0% (initially) of the amount of the New Money Exit Term Loans, payable in cash or OID on the Closing Date concurrently with funding of the New Money Exit Term Loans, for those DIP Term Loan Lenders that commit to become (and fund as) Exit Lenders by no later than one (1) business day after the entry of the Final Order (as defined in the DIP Term Loan Credit Agreement); thereafter, the Upfront Fee will decrease sequentially during the pendency of the Chapter 11 Cases at specified dates to be determined by the Exit Backstop Commitment Parties and the Borrower to reflect the changing risk profile; and

Administrative Agency Fee: An annual administrative agency fee of $50,000 payable in cash to Exit Term Loan Agent, in such capacity, on the Closing Date concurrently with funding of the New Money Exit Term Loans, and on each anniversary of the Closing Date.

Exit Equity Allocation Exit Equity Allocation: In exchange for providing the Exit Term Loan Facility on the Closing Date (in addition to other consideration provided herein), each Exit Term Loan Lender shall receive (on the Closing Date or as promptly as practicable thereafter) its pro rata portion (based on the percentages of their respective New Money Exit Term Loans as compared to all New Money Exit Term Loans) of 40.0% of the equity of reorganized Debtor Hollander Sleep Products, LLC.

Priority and Security under Exit Term Facility: All obligations of the Loan Parties to the Exit Term Loan Agent and the Exit Term Loan Lenders under the Exit Term Loan Facility, including, without limitation, all principal, accrued interest, premiums (if any), costs, fees and expenses or other amounts due thereunder (collectively, the "Exit Term Loan Obligations"), shall be secured by

	liens and security interests on the same collateral as provided under the Prepetition Term Loan Documents, with the same priority on such collateral as provided under the Prepetition Term Loan Documents.[3] The Exit Term Loan Obligations shall be subject to the Exit Intercreditor Agreement, which shall be substantially similar to the Prepetition ICA.
Mandatory Prepayments:	Customary mandatory prepayment events for financings of this type and that are no less favorable to the Exit Term Loan Lenders as the mandatory prepayment provisions set forth in the Prepetition Term Loan Credit Agreement, and such other mandatory prepayments as may be agreed to by the parties.
Amortization:	None
Conditions Precedent to the Closing of the Exit Term Loan Facility:	The conditions precedent for the effectiveness and funding of the Exit Term Loan Credit Agreement will be limited to: (a) those conditions set forth in the Commitment Letter under the heading "Conditions Precedent", (b) conditions precedent substantially similar to (to the extent applicable and appropriate) the conditions contained in the Prepetition Term Loan Credit Agreement, (c) such other customary conditions for similar committed exit financing as are mutually acceptable to the Exit Term Loan Lenders and the Borrower (such acceptance, in each case, not to be unreasonably withheld, delayed or conditioned), and (d) the following: • The confirmation of a Plan (including plan supplements, if any) in terms and substance satisfactory to the Exit Term Loan Agent (such satisfaction not to be unreasonably withheld, delayed or conditioned; it being understood that the form of the Plan attached to the Restructuring Support Agreement (as defined in the DIP Term Loan Credit Agreement) is satisfactory to Exit Term Loan Agent) by the Bankruptcy Court and the occurrence of the "effective date" under the Plan (the "Plan Effective Date") by the final scheduled maturity date under the DIP Term Loan Credit Agreement or such later date acceptable to the Exit Backstop Commitment Parties; • All fees required to be paid pursuant to the Fee Letter shall have been timely paid in accordance with the terms of the Fee Letter; • Adherence with all Milestones (as defined in the DIP Term Loan Credit Agreement), which shall be acceptable to the Exit Term Loan Lenders (other than those Milestones related to

[3] Collateral to also include a pledge of equity interests in the Borrower by any holding company or other parent holding the equity interests in Borrower.

bidding procedures and prosecution of a sale), except as otherwise agreed in writing by the Exit Term Loan Agent and Exit Backstop Commitment Parties;

- The procurement of the Exit ABL Facility on terms acceptable to the Exit Term Loan Agent and Exit Backstop Commitment Parties (such acceptance not to be unreasonably withheld, delayed or conditioned);
- Immediately prior to the Closing Date, the Restructuring Support Agreement shall not have been terminated by any party;
- The Exit Term Loan Agent's consent to any amendment or supplements related to the Plan (such consent not to be unreasonably withheld, delayed or conditioned; it being understood that the form of the Plan attached to the Restructuring Support Agreement is acceptable to the Exit Term Loan Agent and Exit Backstop Commitment Parties);
- Adherence with the Approved Budget (as defined in the DIP Term Loan Credit Agreement), subject to variances permitted by the DIP Term Loan Credit Agreement or otherwise agreed in writing by the Exit Term Loan Agent and Exit Backstop Commitment Parties, including all covenants related thereto and all limitations on professional fees of the Debtors and any official committee of unsecured creditors appointed in the Chapter 11 Cases;
- Adherence to any limitations on outstanding obligations under the Exit ABL Facility;
- Delivery of an operating and cash flow forecast and an operational restructuring plan, in each case, as reasonably acceptable to the Exit Term Loan Agent and Exit Backstop Commitment Parties;
- Opening borrowing availability calculations under the Exit ABL Facility reasonably acceptable to Exit Term Loan Agent; and
- The representations and warranties set forth in the Exit Term Loan Documents shall be accurate in all material respects as of the Closing Date.

In furtherance of the foregoing, (a) the only conditions (express or implied) to the availability of the Exit Term Loan Facility on the Closing Date are those expressly set forth under this heading (collectively, the "Exclusive Funding Conditions"), and the Exclusive Funding Conditions shall be subject in all respects to the provisions of this paragraph, and (b) the terms of the Exit Term Loan Documents and other documents to be delivered on the Closing Date shall be in a form such that they do not impair availability of the Exit Term Loans on the Closing Date, or the initial funding thereunder on the Closing Date, in

each case if the Exclusive Funding Conditions are satisfied or waived by each exit Backstop Commitment Party (it being understood that to the extent any security interest in any collateral (including the creation or perfection of any such security interest) (other than the pledge and perfection of the security interests in assets with respect to which a lien may be perfected by the filing of a financing statement under the Uniform Commercial Code) is not or cannot be provided or perfected on the Closing Date after the Loan Parties' use of commercially reasonable efforts to do so, or without undue burden or expense, the creation or perfection of such security interest therein) shall not constitute a condition precedent to the availability of the Exit Term Loan Facility on the Closing Date but shall instead be required to be delivered or provided and perfected within 90 days after the Closing Date (or such later date as may be agreed by the Exit Term Loan Agent in its reasonable discretion) pursuant to arrangements to be mutually agreed by the Exit Term Loan Agent and the Borrower. Without limitation of the foregoing, the commitments of each Exit Term Loan Lender to provide the Exit Term Loan Facility on the Closing Date are subject solely to the Exclusive Funding Conditions and upon the satisfaction (or waiver by the Exit Backstop Commitment Parties) of such conditions, the initial funding of the Exit Term Loan Facility shall occur. There are no conditions (implied or otherwise) to the commitments hereunder, and there will be no conditions (implied or otherwise) under the Exit Term Loan Documents to the funding of the Exit Term Loans on the Closing Date, including compliance with the terms of this Commitment Letter, the Fee Letter and the Exit Term Loan Documents or any other agreement, in each case other than the satisfaction (or waiver by the Exit Term Loan Lenders) of the Exclusive Funding Conditions.

Affirmative and Negative Covenants: The definitive Exit Term Loan Documents will contain affirmative and negative covenants that are consistent with the Documentation Principles and no less favorable to the Exit Term Loan Lenders than those existing in the Prepetition Term Loan Credit Agreement, with certain modifications to be mutually agreed by the Exit Term Loan Lenders and the Borrower (such acceptance, in each case, not to be unreasonably withheld, delayed or conditioned), including, without limitation, modifications to the amount of permitted indebtedness, permitted liens, permitted investments, restricted payments, asset dispositions, junior debt and affiliate transactions.

Financial Covenants: The definitive Exit Term Loan Documents will contain financial covenants and other additional business key performance indicators acceptable to the Exit Term Loan Lenders and the Borrower (such acceptance, in each case, not to be unreasonably withheld, delayed or conditioned).

Events of Default	The Exit Term Loan Credit Agreement will contain customary events of default for financings of this type consistent with the Documentation Principles, and additional events of default as may be mutually acceptable to the Exit Term Loan Lenders and the Borrower (such acceptance, in each case, not to be unreasonably withheld, delayed or conditioned).
Additional Provisions	The Exit Term Loan Credit Agreement will contain customary representations and warranties, indemnification, expense reimbursement and yield protection provisions, assignment and assumption terms and waiver of jury trial substantially similar to the corresponding terms in the Prepetition Term Loan Credit Agreement, with such modifications as deemed by the Exit Term Loan Lenders in their discretion to be appropriate.
Required Lenders:	Exit Term Loan Lenders holding more than 50.0% of the outstanding Exit Term Loans (the "Required Lenders") except as to matters requiring unanimity/supermajority or affected lenders under the Exit Term Loan Credit Agreement.
Removal of Exit Term Loan Lenders:	The Required Lenders and the Borrower shall have the right to cause any Exit Term Loan Lender (under certain customary "defaulting" lender and other situations consistent with the Prepetition Term Loan Credit Agreement) to assign its Exit Term Loans and other Exit Term Loan Obligations to one or more existing Exit Term Loan Lenders.
Governing Law:	The laws of the State of New York.
Counsel to the Exit Term Loan Agent:	King & Spalding LLP

Exhibit D to the Amended and Restated Restructuring Support and Settlement Agreement

Settlement Term Sheet

In re Hollander Sleep Products, LLC, *et al.*, Case No. 19-11608 (MEW) (Bankr. S.D.N.Y.)

SETTLEMENT COMMUNICATIONS -- SUBJECT TO FRE 408 AND RULES OF SIMILAR IMPORT

Official Committee of Unsecured Creditors – Settlement Proposal Chart

	Item:	Term Lender Proposal – Round 6 (current)
1.	Cash consideration from Term Loan Lenders	**In the event of a reorganization** $500,000 cash to GUC Trust (which shall not be available to any vendor who agrees to the Support Incentive (defined below)) **Plus Optional Support Incentive**: For each vendor (each being a "Supporting Vendor") who agrees at the request of the Company (in the Company's sole discretion) to provide standard prepetition trade credit to the Reorganized Debtors for 12 months on the most favorable terms extended by the Supporting Vendor in the 12 months prepetition (but in no event less than 60- day terms), (a) (i) a payment of 3.0% of the average outstanding payable balance for the 12 month period beginning on the Effective Date of a Plan, payment to be made in 6 monthly installments to such Supporting Vendor; plus (ii) 1% of such Supporting Vendor's allowed prepetition general unsecured claim; or (b) in lieu of (i) and (ii) (in the Company's sole discretion) a letter of credit from the Company backing the payment of the moving average outstanding payable balance for the 12 month period beginning on the Effective Date of a Plan ((a) or (b) the "Support Incentive"). **Plus Sale Consideration**: 5% of each dollar the TL Lenders recover above a 30% recovery for the holders of Allowed Term Loan Claims based on the full amount of such holder's Allowed Term Loan Claim (after payment in full of any DIP and Exit claims), if the reorganized debtors are sold within 24 months of the Effective Date of a Plan; **If a sale is consummated through the current Chapter 11 case**: $600,000 cash to the GUC Trust **Plus Sale Consideration**: (i) 5% of each dollar above a 30% Term Loan Lender recovery on the aggregate of their prepetition Term Loan; and (ii) 7.5% of each dollar above a 50% Term Loan Lender recovery on the aggregate of their prepetition Term Loan **In the event of a liquidation**: $250,000 to the GUC Trust

In re Hollander Sleep Products, LLC, *et al.*, Case No. 19-11608 (MEW) (Bankr. S.D.N.Y.)

SETTLEMENT COMMUNICATIONS -- SUBJECT TO FRE 408 AND RULES OF SIMILAR IMPORT

Official Committee of Unsecured Creditors – Settlement Proposal Chart

	Item:	Term Lender Proposal – Round 6 (current)
2.	Cash consideration from Sentinel	First $200,000 of proceeds on account of the LOL recovery will be paid to the GUC Trust. Thereafter, proceeds on account of the LOL recovery will be split 50%/50% until the aggregate recovery to the GUC Trust (including the $200,000 of first dollars paid) is $650,000. Consistent with the prior proposals, this applies in all three circumstances (liquidation, sale, or reorganization).
3.	Avoidance Actions	Waiver of avoidance actions
4.	Commercial Torts	Commercial torts assigned and transferred to the GUC Trust
5.	Waiver of claims	Waiver of Term Loan Lenders' deficiency claims
6.	Lien validation	UCC validates Term Loan Lenders liens
7.	Term Loan Lender release	Mutual releases
8.	Sentinel release	Mutual releases
9.	Plan Support	The UCC, Sentinel, and the Term Loan Lenders, each agree to support confirmation of the Plan in all scenarios described above
10.	Professional Fees	Professionals for the UCC agree to a hard cap on fees (monthly) for the duration of the case
11.	Lender Allocation	Resolved based on Term Loan Credit Agreement – book value attributed to inventory in any liquidation

Exhibit E to the Amended and Restated Restructuring Support and Settlement Agreement

Form of Transferee Joinder

Form of Transferee Joinder

This joinder (this "Joinder") to the Amended and Restated Restructuring Support and Settlement Agreement (the "Agreement"), dated as of July 21, 2019, by and among: (i) Dream II Holdings, LLC together with certain of its direct and indirect subsidiaries (collectively, the "Company"); (ii) the Consenting Term Loan Lenders; (iii) the Committee; and (iv) the Sponsor, is executed and delivered by [_____] (the "Joining Party") as of [_____]. Each capitalized term used herein but not otherwise defined shall have the meaning ascribed to it in the Agreement.

42. Agreement to Be Bound. The Joining Party hereby agrees to be bound by all of the terms of the Agreement, a copy of which is attached to this Joinder as Annex 1 (as the same has been or may be hereafter amended, restated, or otherwise modified from time to time in accordance with the provisions thereof). The Joining Party shall hereafter be deemed to be a Party for all purposes under the Agreement and one or more of the entities comprising the Restructuring Support Parties.

43. Representations and Warranties. The Joining Party hereby represents and warrants to each other Party to the Agreement that, as of the date hereof, such Joining Party (a) is the legal or beneficial holder of, and has all necessary authority (including authority to bind any other legal or beneficial holder) with respect to, the Term Loan Claims identified below its name on the signature page hereof, and (b) makes, as of the date hereof, the representations and warranties set forth in Section 24 of the Agreement to each other Party.

44. Governing Law. This Joinder shall be governed by and construed in accordance with the internal laws of the State of New York without regard to any conflicts of law provisions which would require the application of the law of any other jurisdiction.

45. Notice. All notices and other communications given or made pursuant to the Agreement shall be sent to:

To the Joining Party at:

[JOINING PARTY]
[ADDRESS]
Attn:
Facsimile:
Email:

IN WITNESS WHEREOF, the Joining Party has caused this Joinder to be executed as of the date first written above.

[JOINING PARTY]

By: _____
Name:
Title:

Principal Amount of Term Loan Claims: $_____

Notice Address:

Fax:
Attention:
Email:

Annex 1 to the Form of Transferee Joinder

THIS IS EXHIBIT "H" REFERRED TO IN THE AFFIDAVIT OF MARC PFEFFERLE SWORN ON AUGUST 2, 2019.

ROBERT E COLAPIETRO
Notary Public
Connecticut
My Commission Expires Feb 28, 2022

Joshua A. Sussberg, P.C.
Christopher T. Greco, P.C.
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KIRKLAND & ELLIS INTERNATIONAL LLP
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Counsel to the Debtors and Debtors in Possession

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
HOLLANDER SLEEP PRODUCTS, LLC, *et al.*,[1]	)	Case No. 19-11608 (MEW)
Debtors.	)	(Jointly Administered)

DISCLOSURE STATEMENT FOR THE DEBTORS' FIRST AMENDED JOINT PLAN OF REORGANIZATION PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors' service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

THE DEBTORS[2] ARE PROVIDING THE INFORMATION IN THIS DISCLOSURE STATEMENT TO HOLDERS OF CLAIMS FOR PURPOSES OF SOLICITING VOTES TO ACCEPT OR REJECT THE DEBTORS' FIRST AMENDED JOINT PLAN OF REORGANIZATION PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE. NOTHING IN THIS DISCLOSURE STATEMENT MAY BE RELIED UPON OR USED BY ANY ENTITY FOR ANY OTHER PURPOSE. PRIOR TO DECIDING WHETHER AND HOW TO VOTE ON THE PLAN, EACH HOLDER ENTITLED TO VOTE SHOULD CAREFULLY CONSIDER ALL OF THE INFORMATION IN THIS DISCLOSURE STATEMENT, INCLUDING THE RISK FACTORS DESCRIBED IN ARTICLE VIII HEREOF.

THE DEBTORS URGE EACH HOLDER OF A CLAIM TO CONSULT WITH ITS OWN ADVISORS WITH RESPECT TO ANY LEGAL, FINANCIAL, SECURITIES, TAX, OR BUSINESS ADVICE IN REVIEWING THIS DISCLOSURE STATEMENT, THE PLAN, AND EACH OF THE PROPOSED TRANSACTIONS CONTEMPLATED THEREBY. FURTHERMORE, THE BANKRUPTCY COURT'S APPROVAL OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE THE BANKRUPTCY COURT'S APPROVAL OF THE PLAN.

THIS DISCLOSURE STATEMENT CONTAINS, AMONG OTHER THINGS, SUMMARIES OF THE PLAN, CERTAIN STATUTORY PROVISIONS, CERTAIN EVENTS IN THE DEBTORS' CHAPTER 11 CASES AND CERTAIN DOCUMENTS RELATED TO THE PLAN THAT ARE ATTACHED HERETO AND INCORPORATED BY REFERENCE HEREIN. ALTHOUGH THE DEBTORS BELIEVE THAT THESE SUMMARIES ARE FAIR AND ACCURATE, THESE SUMMARIES ARE QUALIFIED IN THEIR ENTIRETY TO THE EXTENT THAT THEY DO NOT SET FORTH THE ENTIRE TEXT OF SUCH DOCUMENTS OR STATUTORY PROVISIONS OR EVERY DETAIL OF SUCH EVENTS. IN THE EVENT OF ANY INCONSISTENCY OR DISCREPANCY BETWEEN A DESCRIPTION IN THIS DISCLOSURE STATEMENT AND THE TERMS AND PROVISIONS OF THE PLAN OR ANY OTHER DOCUMENTS INCORPORATED HEREIN BY REFERENCE, THE PLAN OR SUCH OTHER DOCUMENTS WILL GOVERN FOR ALL PURPOSES. FACTUAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN PROVIDED BY THE DEBTORS' MANAGEMENT EXCEPT WHERE OTHERWISE SPECIFICALLY NOTED. THE DEBTORS DO NOT REPRESENT OR WARRANT THAT THE INFORMATION CONTAINED HEREIN OR ATTACHED HERETO IS WITHOUT ANY MATERIAL INACCURACY OR OMISSION.

THE FINANCIAL PROJECTIONS PROVIDED IN THIS DISCLOSURE STATEMENT HAVE BEEN PREPARED BY THE DEBTORS' MANAGEMENT. WHILE PRESENTED WITH NUMERICAL SPECIFICITY, THE FINANCIAL PROJECTIONS ARE NECESSARILY BASED ON A VARIETY OF ESTIMATES AND ASSUMPTIONS WHICH, THOUGH CONSIDERED REASONABLE BY THE DEBTORS, MAY NOT BE REALIZED, AND ARE INHERENTLY SUBJECT TO SIGNIFICANT BUSINESS, ECONOMIC, COMPETITIVE, INDUSTRY, REGULATORY, MARKET, AND FINANCIAL UNCERTAINTIES AND CONTINGENCIES, MANY OF WHICH ARE BEYOND THE DEBTORS' CONTROL. THE DEBTORS CAUTION THAT NO REPRESENTATIONS CAN BE MADE AS TO THE ACCURACY OF THE FINANCIAL PROJECTIONS OR THE LIKELIHOOD THAT THE DEBTORS WILL ACHIEVE THE PROJECTED RESULTS. SOME ASSUMPTIONS INEVITABLY WILL NOT MATERIALIZE. FURTHER, EVENTS AND CIRCUMSTANCES OCCURRING SUBSEQUENT TO THE DATE ON WHICH THE FINANCIAL PROJECTIONS WERE PREPARED MAY BE DIFFERENT FROM THOSE ASSUMED OR, ALTERNATIVELY, MAY HAVE BEEN UNANTICIPATED, AND, THUS, THE OCCURRENCE OF THESE EVENTS MAY AFFECT FINANCIAL RESULTS IN A MATERIALLY ADVERSE OR MATERIALLY BENEFICIAL MANNER. THEREFORE, THE FINANCIAL PROJECTIONS MAY NOT BE RELIED UPON AS A GUARANTY OR OTHER ASSURANCE OF THE ACTUAL RESULTS THAT WILL OCCUR.

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[2] The Debtors have proprietary rights to a number of trademarks used in this Disclosure Statement that are important to their business, including, without limitation, Great Sleep®, I AM®, LC®, PCF®, and Restful Nights®. This Disclosure Statement may omit the registered trademark (®), trademark (™), and other similar symbols for such trademarks named herein.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 3016(B) AND IS NOT NECESSARILY IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER SIMILAR LAWS. THE SECURITIES DESCRIBED HEREIN WILL BE ISSUED TO CREDITORS WITHOUT REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY SIMILAR FEDERAL, STATE, OR LOCAL LAW. THE DEBTORS WILL INSTEAD RELY UPON (A) THE EXEMPTIONS SET FORTH IN SECTION 1145 OF THE BANKRUPTCY CODE TO THE MAXIMUM EXTENT PERMITTED AND APPLICABLE AND (B) TO THE EXTENT THAT THE EXEMPTION PROVIDED BY SECTION 1145 IS EITHER NOT PERMITTED OR NOT APPLICABLE, THE EXEMPTION SET FORTH IN SECTION 4(2) OF THE SECURITIES ACT OR REGULATION D PROMULGATED THEREUNDER. NO LEGAL OR TAX ADVICE IS PROVIDED BY THIS DISCLOSURE STATEMENT. THE DEBTORS ARE NOT CURRENTLY A REPORTING CORPORATION UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED (THE "EXCHANGE ACT"), AND THE REORGANIZED DEBTORS MAY NOT BE A REPORTING CORPORATION AS OF THE EFFECTIVE DATE UNDER THE EXCHANGE ACT, AND THE NEW INTERESTS WILL NOT BE LISTED ON ANY NATIONAL SECURITIES EXCHANGE. THE DEBTORS DO NOT ANTICIPATE THAT THERE WILL BE A PUBLIC MARKET FOR THE SECURITIES ISSUED HEREUNDER. THE DEBTORS RECOMMEND THAT POTENTIAL RECIPIENTS OF ANY SECURITIES PURSUANT TO THE PLAN SHOULD CONSULT THEIR OWN LEGAL COUNSEL CONCERNING THE SECURITIES LAWS GOVERNING THE OWNERSHIP AND TRANSFERABILITY OF ANY SUCH SECURITIES.

THIS DISCLOSURE STATEMENT WAS NOT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE AUTHORITY AND NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE AUTHORITY HAVE PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DISCLOSURE STATEMENT OR UPON THE MERITS OF THE PLAN.

THIS DISCLOSURE STATEMENT CONTAINS FORWARD-LOOKING STATEMENTS WITHIN THE MEANING OF SECTION 27A AND SECTION 21E OF THE SECURITIES ACT. SUCH STATEMENTS MAY CONTAIN WORDS SUCH AS "MAY," "WILL," "MIGHT," "EXPECT," "BELIEVE," "ANTICIPATE," "COULD," "WOULD," "ESTIMATE," "CONTINUE," "PURSUE," OR THE NEGATIVE THEREOF OR COMPARABLE TERMINOLOGY, AND MAY INCLUDE, WITHOUT LIMITATION, INFORMATION REGARDING THE DEBTORS' EXPECTATIONS WITH RESPECT TO FUTURE EVENTS. FORWARD-LOOKING STATEMENTS ARE INHERENTLY UNCERTAIN AND ARE SUBJECT TO CERTAIN RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER FROM THOSE EXPRESSED OR IMPLIED IN THIS DISCLOSURE STATEMENT AND THE FORWARD-LOOKING STATEMENTS CONTAINED HEREIN. MAKING INVESTMENT DECISIONS BASED ON THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT AND/OR THE PLAN IS, THEREFORE, SPECULATIVE.

IN PREPARING THIS DISCLOSURE STATEMENT, THE DEBTORS RELIED ON FINANCIAL DATA DERIVED FROM THEIR BOOKS AND RECORDS OR THAT WAS OTHERWISE MADE AVAILABLE TO THEM AT THE TIME OF SUCH PREPARATION AND ON VARIOUS ASSUMPTIONS REGARDING THE DEBTORS' BUSINESSES AND THEIR EXPECTED FUTURE RESULTS AND OPERATIONS. ALTHOUGH THE DEBTORS BELIEVE THAT SUCH FINANCIAL INFORMATION FAIRLY REFLECTS THE FINANCIAL CONDITION OF THE DEBTORS AS OF THE DATE HEREOF AND THAT THE ASSUMPTIONS REGARDING FUTURE EVENTS REFLECT REASONABLE BUSINESS JUDGMENTS, NO REPRESENTATIONS OR WARRANTIES ARE MADE AS TO THE ACCURACY OF THE FINANCIAL INFORMATION CONTAINED HEREIN OR MANAGEMENT'S ASSUMPTIONS REGARDING THE DEBTORS' BUSINESSES AND THEIR FUTURE RESULTS AND OPERATIONS. THE DEBTORS EXPRESSLY CAUTION READERS NOT TO PLACE UNDUE RELIANCE ON ANY FORWARD-LOOKING STATEMENTS CONTAINED HEREIN.

THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE, AND MAY NOT BE CONSTRUED AS, AN ADMISSION OF FACT, LIABILITY, STIPULATION, OR WAIVER. THE DEBTORS OR THE REORGANIZED DEBTORS MAY SEEK TO INVESTIGATE, FILE, AND PROSECUTE CLAIMS AND MAY OBJECT TO CLAIMS AFTER THE CONFIRMATION OR EFFECTIVE DATE OF THE PLAN

IRRESPECTIVE OF WHETHER THIS DISCLOSURE STATEMENT IDENTIFIES ANY SUCH CLAIMS OR OBJECTIONS TO CLAIMS.

THE DEBTORS ARE MAKING THE STATEMENTS AND PROVIDING THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT AS OF THE DATE HEREOF, UNLESS OTHERWISE SPECIFICALLY NOTED. ALTHOUGH THE DEBTORS MAY SUBSEQUENTLY UPDATE THE INFORMATION IN THIS DISCLOSURE STATEMENT, THE DEBTORS HAVE NO AFFIRMATIVE DUTY TO DO SO, AND EXPRESSLY DISCLAIM ANY DUTY TO PUBLICLY UPDATE ANY FORWARD-LOOKING STATEMENTS, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS, OR OTHERWISE. HOLDERS OF CLAIMS AND INTERESTS REVIEWING THIS DISCLOSURE STATEMENT SHOULD NOT INFER THAT, AT THE TIME OF THEIR REVIEW, THE FACTS SET FORTH HEREIN HAVE NOT CHANGED SINCE THIS DISCLOSURE STATEMENT WAS FILED. INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. THE DEBTORS RESERVE THE RIGHT TO FILE AN AMENDED PLAN AND RELATED DISCLOSURE STATEMENT FROM TIME TO TIME, SUBJECT TO THE TERMS OF THE PLAN.

CONFIRMATION AND CONSUMMATION OF THE PLAN ARE SUBJECT TO CERTAIN MATERIAL CONDITIONS PRECEDENT DESCRIBED IN ARTICLE IX OF THE PLAN. THERE IS NO ASSURANCE THAT THE PLAN WILL BE CONFIRMED OR, IF CONFIRMED, THAT SUCH MATERIAL CONDITIONS PRECEDENT WILL BE SATISFIED OR WAIVED. YOU ARE ENCOURAGED TO READ THIS DISCLOSURE STATEMENT IN ITS ENTIRETY, INCLUDING BUT NOT LIMITED TO THE PLAN AND ARTICLE VIII OF THIS DISCLOSURE STATEMENT ENTITLED "RISK FACTORS," BEFORE SUBMITTING YOUR BALLOT TO VOTE TO ACCEPT OR REJECT THE PLAN.

THE DEBTORS HAVE NOT AUTHORIZED ANY ENTITY TO GIVE ANY INFORMATION ABOUT OR CONCERNING THE PLAN OTHER THAN THAT WHICH IS CONTAINED IN THIS DISCLOSURE STATEMENT. THE DEBTORS HAVE NOT AUTHORIZED ANY REPRESENTATIONS CONCERNING THE DEBTORS OR THE VALUE OF THEIR PROPERTY OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT.

IF THE PLAN IS CONFIRMED BY THE BANKRUPTCY COURT AND THE EFFECTIVE DATE OCCURS, ALL HOLDERS OF CLAIMS OR INTERESTS (INCLUDING THOSE HOLDERS OF CLAIMS OR INTERESTS WHO DO NOT SUBMIT BALLOTS TO ACCEPT OR REJECT THE PLAN, OR WHO ARE NOT ENTITLED TO VOTE ON THE PLAN) WILL BE BOUND BY THE TERMS OF THE PLAN AND THE RESTRUCTURING TRANSACTIONS CONTEMPLATED THEREBY.

THE DEBTORS SUPPORT CONFIRMATION OF THE PLAN AND URGE ALL HOLDERS OF CLAIMS WHOSE VOTES ARE BEING SOLICITED TO ACCEPT THE PLAN.

* * * * * *

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EXHIBITS

Exhibit A	Plan
Exhibit B	Corporate Structure Chart
Exhibit C	Amended & Restated Restructuring Support Agreement
Exhibit D	Financial Projections
Exhibit E	Liquidation Analysis

ARTICLE I.
INTRODUCTION

Hollander Sleep Products, LLC ("Hollander") and its debtor affiliates, as debtors and debtors in possession (collectively, the "Debtors"), submit this disclosure statement (this "Disclosure Statement"), pursuant to section 1125 of the Bankruptcy Code, to Holders of Claims against the Debtors in connection with the solicitation of votes for acceptance of the Plan.[3] A copy of the Plan is attached hereto as **Exhibit A** and incorporated herein by reference. The Plan constitutes a separate chapter 11 plan for each of the Debtors. The rules of interpretation set forth in Article I.B of the Plan shall govern the interpretation of this Disclosure Statement.

The Debtors—industry leaders in the bedding products market—manufacture, among other bedding products, pillows, comforters, and mattress pads. The Debtors produce these items for well-known licensed brands, including Ralph Lauren®, Simmons®, Beautyrest®, Nautica®, and Calvin Klein®. The Debtors also own and manufacture bedding products under their own proprietary brands, including Great Sleep, I AM, LC, PCF, and Restful Nights. The Debtors, in turn, partner with major retailers and hotel chains, including long-standing relationships with, among others, Costco, Kohl's, Walmart, Target, and Marriott.

Prior to the commencement of these chapter 11 cases on May 19, 2019 (the "Petition Date"), the Debtors negotiated a comprehensive restructuring transaction with 100 percent of the Debtors' prepetition secured term lenders and Sentinel Capital Partners ("Sentinel"), its majority equity holder, the terms of which were set forth in a Restructuring Support Agreement dated as of the Petition Date (the "Prepetition RSA"). In the weeks following the appointment of the official committee of unsecured creditors (the "UCC"), the Debtors, Sentinel, and the term loan lenders engaged in extensive good-faith negotiations with the UCC. These negotiations resulted in a global settlement, which was incorporated in an amended and restated Restructuring Support Agreement, dated as of July 21, 2019, by and between the Debtors, the prepetition term loan lenders, Sentinel, and the UCC (as may be amended, restated, or modified from time to time and a copy of which is attached hereto as **Exhibit C**, the "A&R RSA"), and which settlement is reflected in the Plan and described herein.

In accordance with the A&R RSA, the proposed Plan contemplates a balance sheet restructuring through the equitization of approximately $166.5 million in prepetition term loan debt. To ensure the Debtors obtain the highest or otherwise best offer for their assets, the Plan also includes a sale "toggle" feature, allowing for a potential sale to a third party supported by the Debtors' secured lenders and accomplished through the Plan. This allows the Debtors to run a parallel comprehensive marketing process to determine whether any third-party sale, or combination of sales, will provide a more optimal restructuring for the Debtors' estates than the proposed term lender transaction. Whether confirmed and consummated through the debt-for-equity transaction or a sale transaction, the Plan will resolve these chapter 11 cases, will cut off the expense of bankruptcy, and will permit the Debtors to distribute value to their stakeholders in a timely manner.

Under the Prepetition RSA—and as re-committed under the A&R RSA—certain of the Term Loan Lenders committed to finance these cases and the contemplated emergence of the Debtors from these cases through a (i) new money $28 million DIP term loan facility (the "DIP Term Loan Facility") and (ii) $58 million exit term loan facility (the "Exit Term Loan Facility"), respectively. The $28 million DIP Term Loan Facility will roll into the Exit Term Loan Facility. The remainder of the Exit Term Loan Facility will consist of $30 million of new money. The commitment of those certain Term Loan Lenders to provide the DIP Term Loan Facility and the Exit Term Loan Facility are inextricably linked and part of a negotiated resolution to facilitate a successful, efficient, and effective reorganization of the Debtors that maximizes and preserves estate value.

The Plan provides for recoveries to general unsecured creditors under either the reorganization or the sale paths. As more fully described herein and the Plan, the Plan, among other things, provides for the funding of a cash pool for general unsecured creditors in either the reorganization or sale scenarios, and provides those general

[3] Capitalized terms used but not otherwise defined in this Disclosure Statement shall have the meaning ascribed to them in the Plan.

unsecured creditors with upside in the event that the prepetition term lenders' recovery increases. More specifically, the Plan provides for general unsecured creditors to share pro rata in the following recoveries:

- ***Reorganization***: the GUC Reorganization Recovery Pool will be funded with cash in the amount of $500,000. Further, if the Reorganized Debtors are sold within 24 months of the Effective Date and the term loan lenders receive more than a 30% recovery on account of their prepetition term loan claims (which shall be calculated after the repayment of other obligations repaid as part of such transaction), the Future Sale Consideration will be funded with 5% of each dollar in excess of such 30% recovery. In lieu of the right to recover from the GUC Reorganization Recovery Pool, certain vendors may become "Supporting Vendors," which will allow such vendors to receive either (a) a 1% recovery on their prepetition claims and a premium for providing the Reorganized Debtors with favorable trade credit or (b) go-forward protection through a letter of credit provided by the Reorganized Debtors to ensure payment of obligations.

- ***Sale Toggle***: the GUC Sale Transaction Recovery Pool will be funded with the first $600,000 of cash from the available proceeds of the Term Loan Priority Collateral, *plus* if the prepetition term loan lenders receive more than a 30% recovery on account of their prepetition term loan claims (based on the full amount of each such Holder's Term Loan Claims), 5% of each dollar in excess of such 30% recovery, *plus* if the prepetition term loan lenders receive more than a 50% recovery on account of their prepetition term loan claims (based on the full amount of each such Holder's Term Loan Claim), 7.5% of each dollar in excess of such 50% recovery.

- ***All Scenarios***: Sentinel will cause to be funded the Last Out Loans Turnover Amount, which is an amount up to $650,000 in the aggregate in cash for the benefit of general unsecured creditors, which amount will be paid from (i) the first $200,000 of any proceeds distributed to Sentinel (or its affiliates) as a holder of Last Out DIP Loan Claims on account of such Claims (including, after being rolled into any Exit ABL Facility, on account of any repayment as part of such Exit ABL Facility), *plus* (ii) 50 percent of each dollar received in excess of the first $200,000 of any such proceeds distributed to Sentinel or its affiliates as a Holder of Last Out DIP Loan Claims, up to a total maximum amount of $650,000 (inclusive of the first $200,000 of proceeds paid).

The Plan is supported by the Debtors' ABL Lenders, 100 percent of the Term Loan Lenders, Sentinel, and the UCC. The compromises and settlements to be implemented pursuant to the Plan preserve value by enabling the parties to avoid costly and time-consuming litigation that could potentially delay the Debtors' emergence from chapter 11. The proposed Plan maximizes creditor recoveries, meaningfully reduces the Debtors' aggregate funded debt, and best positions the Debtors for future success. The Plan is subject to the Debtors' fiduciary duties to maximize the value of their estates. The Debtors will therefore continue to review all options for their primary assets, and remain willing and able to talk to all parties regarding alternative viable and feasible chapter 11 plans. The fiduciary out in the A&R RSA allows the Debtors to consider all options should an improved deal construct emerge.

The formulation of the Plan, with the overwhelming support of the Debtor's secured creditors and the support of the UCC, is a significant achievement for the Debtors in the face of challenging circumstances. The Debtors strongly believe that the Plan is in the best interests of the Debtors' estates, represents the best available path to restructuring, and significantly deleverages the Debtors' consolidated balance sheet at a critical time. As such, the Debtors seek the Bankruptcy Court's approval of the Plan and strongly urge all Holders of Claims entitled to vote to accept the Plan by returning their ballots, so as to be **actually received** by Omni Management Group, the Debtors' solicitation agent (the "Solicitation Agent"), no later than **August 28, 2019, at 4:00 p.m., prevailing Eastern Time** (the "Voting Deadline"). The Debtors will seek the Bankruptcy Court's approval of the Plan at the Confirmation Hearing (as defined herein).

ARTICLE II.
TREATMENT OF CLAIMS AND INTERESTS

As set forth in Article III of the Plan and in accordance with sections 1122 and 1123(a)(1) of the Bankruptcy Code, all Claims and Interests (other than Administrative Claims, Professional Fee Claims, DIP Claims, and Priority Tax Claims) are classified into Classes for all purposes, including voting, Confirmation, and distributions. A Claim or Interest is classified in a particular Class only to the extent that such Claim or Interest qualifies within the description of that Class and is classified in other Classes to the extent that any portion of such Claim or Interest qualifies within the description of such other Classes. A Claim or Interest is also classified in a particular Class for the purpose of receiving distributions pursuant to the Plan only to the extent that such Claim or Interest is an Allowed Claim or Allowed Interest in that Class and has not been paid, released, or otherwise satisfied prior to the Effective Date.

The table below summarizes the treatment of all unclassified Claims under the Plan. The treatment and the projected recoveries of unclassified Claims are described in summary form below for illustrative purposes only. Risk factors addressing the effects of the actual amount of Allowed unclassified Claims exceeding the Debtors' estimates, and the effect of such variation on creditor recoveries, and other risks related to Confirmation and the Effective Date of the Plan are addressed in Article VIII hereof. To the extent that any inconsistency exists between the summary contained in this Disclosure Statement and the Plan, the terms of the Plan shall govern.

Unclassified Claim	Plan Treatment	Estimated Allowed Claims	Estimated Range of % Recovery Under the Plan	Estimated Range of % Recovery Under Chapter 7
Administrative Claims	Unimpaired	$6.1–7.1 million	100%	0%
Professional Fee Claims	Unimpaired	$6,200,000	100%	100%
DIP ABL Claims	Unimpaired	$45,000,000[4]	100%	88–100%
Last Out DIP Loan Claims	Unimpaired	$15,000,000	100%	0–17%
DIP Term Loan Claims	Unimpaired	$18,200,000[5]	100%	9–20%
Priority Tax Claims	Unimpaired	$250,000–$450,000	100%	0%

The table below summarizes the classification and treatment of all classified Claims and Interests against each Debtor (as applicable) under the Plan. **The classification, treatment, and the projected recoveries of classified Claims are described in summary form below for illustrative purposes only and are subject to material change. In particular, recoveries available to the Holders of General Unsecured Claims against various Debtors entities are estimates and actual recoveries could differ materially based on, among other things, whether the amount of Claims actually Allowed against the applicable Debtor exceeds the estimates provided below. In such an instance, the recoveries available to the Holders of General Unsecured Claims could be materially lower when compared to the estimates provided below.** To the extent that any inconsistency exists between the summaries contained in this Disclosure Statement and the Plan, the terms of the Plan shall govern.

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[4] Amount reflects the amount outstanding under the DIP ABL Facility as of July 11, 2019. Under the DIP ABL Final Order, the aggregate amount available under the DIP ABL Facility is $90 million, which availability is subject to the Debtors' borrowing base under the formula provided in the DIP ABL Credit Agreement.

[5] Amount reflects the interim borrowings under the DIP Term Loan Facility in accordance with the Second Interim DIP Order. Upon entry of the DIP Term Loan Final Order, the aggregate amount available under the DIP Term Loan Facility will be $28 million.

As set forth in more detail in the Plan, the Plan shall apply as a separate Plan for each of the Debtors, and the classification of Claims and Interests set forth herein shall apply separately to each of the Debtors. All of the potential Classes for the Debtors are set forth herein. Certain of the Debtors may not have Holders of Claims or Interests in a particular Class or Classes, and such Claims shall be treated as set forth in Article III.F of the Plan. For all purposes under the Plan, each Class will contain sub Classes for each of the Debtors, except that Class 8 shall be vacant at each Debtor other than Dream II Holdings, LLC.

Class	Type of Claim or Interest	Plan Treatment	Estimated Allowed Claims or Interests	Estimated Range of % Recovery Under Plan	Estimated Range of % Recovery Under Chapter 7
Class 1	Other Priority Claims	Unimpaired	$13,650	100%	0%
Class 2	Other Secured Claims	Unimpaired	$572,000	100%	0%
Class 3	Secured Tax Claims	Unimpaired	$0–200,000	100%	0%
Class 4	Term Loan Claims	Impaired	$166,472,407	Unspecified[6]	0%
Class 5	General Unsecured Claims	Impaired	$108,000,000[7]	1%[8]	0%
Class 6	Intercompany Claims	Impaired or Unimpaired	N/A	0–100%	N/A
Class 7	Intercompany Interests	Impaired or Unimpaired	N/A	0–100%	N/A

[6] The Debtors are conducting a market test of the restructuring transactions contemplated in the A&R RSA and Plan pursuant to Court-approved bidding procedures. The Debtors have received initial bids from several interested parties and do not want to prejudice the competitive bidding process by disclosing the estimated recovery for Class 4 Term Loan Claims. The Term Loan Agent is a consultation party under the bidding procedures and is provided sale process updates by the Debtors. The Term Loan Agent communicates these updates to the Term Loan Lenders. The Debtors also update the Term Loan Lenders, as consenting parties to the A&R RSA, as required by the A&R RSA.

[7] This estimated total of Allowed Claims for Class 5 General Unsecured Claims is based on the Schedules and Statements (as defined herein) and includes estimated contract rejection damages claims. The general bar date to assert a prepetition Claim against the Debtors is July 29, 2019, at 5:00 p.m., prevailing Eastern Time unless otherwise set forth in the bar date order [Docket No. 120].

[8] This estimated recovery does not account for the Vendor Support Incentive and makes the following assumptions: (a) the Term Loan Lenders are the Winning Bidder, (b) the Last Out Loans Turnover Amount is $650,000, (c) there is no Future Sale Consideration, and (d) there is no recovery on account of Commercial Tort Claims.

Class	Type of Claim or Interest	Plan Treatment	Estimated Allowed Claims or Interests	Estimated Range of % Recovery Under Plan	Estimated Range of % Recovery Under Chapter 7
Class 8	Interests in Dream II	Impaired	N/A	0%	N/A
Class 9	Section 510(b) Claims	Impaired	N/A	0%	N/A

Based on the foregoing, (i) Holders of Claims in Class 4 and Class 5 are impaired under the Plan, and, therefore, are entitled to vote, (ii) Holders of Claims in Class 1, Class 2, and Class 3 are not impaired under the Plan and, therefore, are conclusively presumed to have accepted the Plan, (iii) Holders of Claims and Interests in Class 8 and Class 9 are receiving no distribution under the Plan and, therefore, are deemed to reject the Plan, and (iv) Holders of Claims and Interests in Class 6 and Class 7 are either impaired or unimpaired and will be presumed to accept or deemed to reject the Plan.

ARTICLE III.
SOLICITATION AND VOTING PROCEDURES

A. *Solicitation Packages*.

On July 25, 2019, the Bankruptcy Court entered the order approving the Disclosure Statement [Docket No. 247] (the "Disclosure Statement Order"). For purposes of this Article III, capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Disclosure Statement Order. Pursuant to the Disclosure Statement Order, Holders of Claims who are eligible to vote to accept or reject the Plan will receive appropriate solicitation materials (in paper or electronic form) including (the "Solicitation Package"):

- the Disclosure Statement, as approved by the Bankruptcy Court (with all exhibits thereto, including the Plan);
- the Disclosure Statement Order (without exhibits thereto);
- the Solicitation and Voting Procedures;
- the Confirmation Hearing Notice;
- an appropriate ballot with voting instructions with respect thereto, together with a pre-addressed, postage prepaid return envelope;
- a cover letter from the Debtors (1) describing the contents of the Solicitation Package and (2) urging the Holders of Claims in each of the Voting Classes to vote to accept the Plan; and
- any supplemental documents the Debtors may file with the Bankruptcy Court or that the Bankruptcy Court orders to be made available.

The Solicitation Package shall provide the Plan, the Disclosure Statement, and the Disclosure Statement Order (without exhibits) in electronic format (flash drive or CD-ROM), and all other contents of the Solicitation Package, including Ballots and these Solicitation and Voting Procedures, shall be provided in paper format. Any party that receives the materials in electronic format but would prefer paper format (to be provided at the Debtors' expense) may contact the Solicitation Agent by: (a) calling the Debtors' restructuring hotline at

(844) 212-9942 within the United States or Canada or, outside of the United States or Canada, by calling +1 (818) 906-8300; (b) visiting the Debtors' restructuring website at: www.omnimgt.com/hollander; (c) writing to Omni directly at Hollander Sleep Products, LLC, c/o Omni Management Group, 5955 DeSoto Avenue, Suite #100, Woodland Hills, CA 91367; and/or (d) emailing hollanderballots@omnimgt.com and requesting paper copies of the corresponding materials previously received in electronic format.

B. *Voting Deadline*.

The deadline to vote on the Plan is August 28, 2019, at 4:00 p.m., prevailing Eastern Time. All votes to accept or reject the Plan must be received by the Solicitation Agent by the Voting Deadline.

C. *Voting Procedures*.

The Debtors are distributing this Disclosure Statement, accompanied by a ballot to be used for voting to accept or reject the Plan, to the Holders of Claims entitled to vote to accept or reject the Plan. If you are a Holder of a Claim in Class 4 (Term Loan Claims) or Class 5 (General Unsecured Claims) you may vote to accept or reject the Plan by completing the applicable ballot and returning it according to the instructions received.

The Debtors have retained Omni Management Group LLC to serve as the Solicitation Agent [Docket No. 170]. The Solicitation Agent is available to answer questions, provide additional copies of all materials, oversee the voting process, and process and tabulate ballots for each class entitled to vote to accept or reject the Plan.

VOTING INQUIRIES
If you have any questions on the procedure for voting on the Plan, please call the Solicitation Agent at: (844) 212-9942 (within the United States or Canada) or, +1 (818) 906-8300 (international)

More detailed instructions regarding how to vote on the Plan are contained on the ballots distributed to Holders of Claims that are entitled to vote to accept or reject the Plan. All votes to accept or reject the Plan must be cast by following the instructions set forth in the applicable ballot. All ballots must be properly executed, completed, and delivered according to their respective voting instructions, so that the votes are **actually received** by the Solicitation Agent no later than the Voting Deadline. Any ballot that is properly executed by the Holder of a Claim entitled to vote that does not clearly indicate an acceptance or rejection of the Plan or that indicates both an acceptance and a rejection of the Plan will not be counted. Ballots received by facsimile or by electronic means will not be counted, unless specifically authorized in the applicable ballot.

Each Holder of a Claim entitled to vote to accept or reject the Plan may cast only one ballot for each Claim held by such Holder. By signing and returning a ballot or otherwise voting pursuant to the instructions set forth on the ballot, each Holder of a Claim entitled to vote will certify to the Bankruptcy Court and the Debtors that no other votes with respect to such Claim has been cast or, if any other votes have been cast with respect to such Claim, such earlier votes are superseded and revoked.

All ballots will be accompanied by return envelopes or alternate instructions for submitting your vote. The Holder must follow the specific instructions provided therein, as failing to do so may result in the Holder's vote not being counted.

D. *Plan Objection Deadline*.

The Bankruptcy Court has established August 28, 2019, as the deadline to object to confirmation of the Plan (the "Plan Objection Deadline"). All such objections must be filed with the Bankruptcy Court and served

in accordance with the *Order (A) Establishing Certain Notice, Case Management, and Administrative Procedures and (B) Granting Related Relief* [Docket No. 184] (the "Case Management Order") and Disclosure Statement Order so that they are **actually received** on or before the Plan Objection Deadline. The Debtors believe the Plan Objection Deadline, as established by the Bankruptcy Court, affords the Bankruptcy Court, the Debtors, and other parties in interest reasonable time to consider the objections to the Plan before a Confirmation Hearing.

E. *Confirmation Hearing*.

Assuming the requisite acceptances are obtained for the Plan, the Debtors intend to seek confirmation of the Plan at a hearing scheduled on September 4, 2019, at 11:00 a.m., prevailing Eastern Time, before the Honorable Michael E. Wiles, United States Bankruptcy Judge, in Courtroom No. 617 of the United States Court for the Southern District of New York, One Bowling Green, New York, NY 10004 (such hearing, the "Confirmation Hearing"). The Confirmation Hearing may be continued from time to time without further notice other than an adjournment announced in open court or a notice of adjournment filed with the Bankruptcy Court and served on the entities who have filed objections to the Plan, without further notice to other parties in interest. The Bankruptcy Court, in its discretion and before a Confirmation Hearing, may put in place additional procedures governing such hearing. The Plan may be modified, if necessary, before, during, or as a result of the hearing to confirm the Plan without further notice to parties in interest.

ARTICLE IV.
THE DEBTORS' BACKGROUND

A. *The Debtors' Business.*

1. The Debtors' Corporate History.

The Debtors were founded in 1953 when Bernard Hollander started selling pillows door-to-door, operating out of his garage under the name Hollander Home Fashions. Shortly thereafter, the Debtors purchased a vacant manufacturing plant to expand their operations. A second generation of Hollanders later opened additional factories in Chicago and Los Angeles. Over the next several decades, the Debtors experienced significant growth, both organically and through the acquisition of competitors. This included acquiring licensing arrangements for several well-known brands, including Ralph Lauren®, and the acquisition of Louisville Bedding Company ("LBC") in May 2013 and PCF in June 2017. The Company also developed its own brands, including Live Comfortably and its associated sub-brands.

The Hollander family sold the business to HGGC, LLC in 2009. In October 2014, Sentinel purchased the Debtors from HGGC, LLC, and has remained the Debtors' controlling equity holder ever since. Today, the Debtors are headquartered in Boca Raton, Florida, operate a primary show room in New York City, and have thirteen manufacturing facilities throughout the United States and Canada. In addition to their North American operations, the Debtors' non-debtor affiliates maintain a sourcing, product development, and quality control office in China.

2. The Debtors' Business Segments.

The Debtors design, manufacture, market, and distribute a variety of basic bedding products, including pillows, mattress pads, comforters, and foam. Over the last few years, the Debtors have expanded into additional segments of the sleep market, such as the natural-fill, hospitality, and cushion segments, and have extended their reach into the segments in which they have always operated, both through strategic acquisitions of competitors and through brand and product development.

The Debtors maintain seven entities operating two primary business segments: the top-of-bed segment and the cushion (or furniture) segment. Approximately 95 percent of the Debtors' sales come from wholesale distribution, including to department stores, mass merchants and clubs, off-price retailers, specialty retailers, and hospitality customers. Approximately 5 percent of the Debtors' sales are from online sales. Recently, the Debtors have been working to increase their direct-to-consumer sales through e-commerce connections with their own

websites, established retailers, and online marketers. The Debtors' two major business units currently employ approximately 2,300 people across the United States and Canada. Each of the Debtors' major business segments are discussed in turn below.

(a) The Top-of-Bed Segment.

Before the PCF acquisition, Hollander's products were segmented into four primary categories, all of which fall within the "top of bed" segment of the overall basic bedding market: (i) bed pillows, (ii) mattress pads and toppers, (iii) comforters, and (iv) foam.

(i) *Bed Pillows*.

The Debtors are the largest bed pillow manufacturer in the world, producing over 75 million pillows annually. The Debtors maintain an estimated 35 percent share of the $1 billion bed pillow market.[9] Historically, the bed pillow segment has been the most profitable and predictable segment within the basic bedding category, and bed pillows represent the Debtors' largest product category.

The Debtors sell bed pillows across their brand portfolio, including proprietary brands, licensed brands, and retail partner brands. Selling a variety of brands of bed pillows has allowed the Debtors to effectively address the entire market: mass/club (51% of the Debtors' sales), department store (8%), specialty (13%), and discount (15%) sales channels at leading retailers such as Walmart, Costco, Bed Bath & Beyond, Kohl's, Target, Bloomingdale's, and Macy's. In recent years, the Debtors have also worked on developing their hospitality business (8% of sales) and their online sales (5%). The Debtors primarily sell synthetic pillows, but also sell natural pillows. Generally, raw materials are shipped from suppliers—including foreign suppliers in China, India, Pakistan, Indonesia, and South Korea—to the Debtors' manufacturing facilities in North America, where they are filled and sewed.

(ii) *Mattress Pads/Toppers*.

The Debtors' acquisition of LBC allowed them to become a more significant provider of mattress pads. The Debtors maintain an estimated 15 percent share of the $400 million mattress pad market. The Debtors offer synthetic mattress pads under a variety of brands, in various design options, to reach the entire market. While some labor-intensive mattress pads are sourced retail-ready from China, the Debtors generally source raw materials from their Asian vendors and process, manufacture, and sew the majority of mattress pads in their Montreal, Canada and Munfordville, Kentucky facilities. Similarly, mattress toppers, containing feathers, down, and synthetic fibers, are filled and sewed in North America from foreign-sourced materials.

(iii) *Comforters*.

The Debtors also have a significant share of the comforter market, maintaining an estimated 10 percent share of the $450 million comforter market. Comforters are a natural product extension in the basic bedding market and are sold to the same customer base as pillows and mattress toppers. The Debtors source and/or produce both down-alternative comforters and down comforters, which are sold primarily through major retailers and department stores.

(iv) *Foam*.

The Debtors' acquisition of LBC paved their entry into the billion-dollar foam market. Foam products are a natural product extension in the basic bedding market and are sold to the same customer base as bed pillows and mattress pads, furthering the Debtors' goal of being a one-stop-shop for sleep solutions. Foam products are made in the United States, Canada, and Asia with foam sourced from several providers around the globe, and are sold primarily through mass/club, department, specialty, and discount sales channels at leading retailers.

[9] All references to a "market" refer to the brick-and-mortar wholesale channel and do not include online retailers.

(b) The Cushion Segment.

The 2017 PCF acquisition strengthened the Company's position in the bed pillow, comforter, and mattress pad sub-segments and allowed the Debtors to enter the cushion and furniture segment. Today, the Debtors are the largest provider of natural-fill cushions in the United States with an estimated 33–35 percent market share.

Unlike the rest of the Debtors' business, the cushion business is a manufacturer-to-manufacturer business and does not focus on bed dressings or accessories. The Debtors' cushion segment is a stable and profitable standalone business operated by Debtor Pacific Coast Feather Cushion, LLC, but it relies upon its Debtor affiliates for accounting, human resources, IT, and other support services. Products are manufactured in dedicated plants in Pico, California and High Point, North Carolina. Finished products are sold directly to furniture producers for use as component parts in chairs, couches, and similar products. While the end products produced in the cushion segment are not closely related to the Debtors' other products, the fill material required to produce cushions is substantially the same as the fill material required to produce top-of-bed products. The cushion segment has been, and remains, one of the Debtors' most reliable profit contributors.

B. *Canadian Proceedings*.

On May 23, 2019, Hollander Sleep Products, LLC, in its capacity as "foreign representative" of the Debtors, including Hollander Sleep Products Canada Limited ("Hollander Canada"), commenced proceedings (the "Canadian Proceedings") in respect of the Debtors under the *Companies' Creditors Arrangement Act* (the "CCAA") in Canada. The Debtors' chapter 11 cases are being treated as a "foreign main proceeding" under the applicable provisions of the CCAA—similar to the chapter 15 process under the Bankruptcy Code. The Canadian Proceedings are ancillary in nature to these chapter 11 cases, which are the focus of the Debtors' restructuring efforts. As part of the Canadian Proceedings, certain orders and approvals obtained in the Debtors' chapter 11 cases must be recognized by the Canadian Court, including the Confirmation Order. References herein to Bankruptcy Court approvals or orders include Canadian Court recognition of such approvals or orders, where applicable.

C. *The Debtors' Non-Debtor Affiliates*.

The Debtors have two affiliates in China, Hollander Sleep Products Trading (Shanghai) Co., Ltd. and PCF (Shanghai) Quality Management Consulting Co., Ltd., that are not part of these chapter 11 cases and will not be commencing chapter 11 cases. These non-debtor entities provide manufacturing product support services and quality control operations for the Debtors. The Debtors also have certain non-debtor affiliates that are holding companies, non-operating entities created for other legal purposes, or residual entities remaining from mergers and acquisitions. The non-debtor affiliates are not liable for any of the Debtors' outstanding funded debt obligations.

D. *Summary of Prepetition Capital Structure*.

A diagram presenting the Debtors' organizational structure as of the Petition Date is attached hereto as **Exhibit B**. As set forth on **Exhibit B**, each Debtor is a direct or indirectly wholly-owned subsidiary of Debtor Dream II Holdings, LLC. Investment funds managed by Sentinel directly or indirectly hold the majority of the outstanding equity interests in Debtor Dream II Holdings, LLC.

As of the Petition Date, the Debtors' capital structure consisted of outstanding funded-debt obligations in the aggregate principal amount of approximately $233 million, including prepetition asset-based loans and secured term loans. Each Debtor is an obligor (either as a borrower or guarantor)[10] under the ABL Facility and each Debtor, except for Hollander Canada, is an obligor (either as a borrower or a guarantor) under the Term Loan Facility. The following table summarizes the Debtors' outstanding funded-debt obligations as of the Petition Date:

[10] Hollander Canada is an obligor in respect of its own sublimit within the ABL Facility, but not a guarantor of the obligations of other entities under the ABL Facility.

Funded Debt	Maturity	Approximate Principal Amount Outstanding (mm)
$125 ABL Facility	June 9, 2022	$ 66.4
Term Loan Facility	June 9, 2023	$ 166.5
	Total:	$ $232.9

1. ABL Facility.

Each Debtor is party to that certain Third Amended and Restated Credit Agreement, dated as of June 9, 2017 (as amended, restated, supplemented, or otherwise modified from time to time prior to the Petition Date, the "ABL Credit Agreement"), by and between Dream II Holdings, LLC, and Hollander Home Fashions Holdings, LLC, Hollander Sleep Products, LLC, Hollander Sleep Products Kentucky, LLC, Hollander Canada, Pacific Coast Feather Company, and Pacific Coast Feather Cushion Co., as borrowers, the ABL Lenders, and Wells Fargo Bank, National Association, as agent (in such capacity, the "ABL Agent"). The ABL Credit Agreement provides for the $125 million ABL Facility. Dream II Holdings, LLC is not a borrower under the ABL Facility but has guaranteed all obligations under the ABL Facility.

The ABL Facility provided for cash dominion when the excess availability under the ABL Facility was less than either (a) 12.5 percent of the maximum credit available under the ABL Facility or (b) $12.5 million for three consecutive business days, at which point the ABL Agent could exercise certain controls over the Debtors' bank accounts. Prior to the Petition Date, the Debtors triggered cash dominion and the ABL Agent swept the Debtors' accounts that were subject to control agreements daily. Prepetition, substantially all of the Debtors' cash was subject to deposit account control agreements in favor of the ABL Agent. The Debtors estimate that approximately $61 million in principal was outstanding as of the Petition Date, not including approximately $5 million in letters of credit (the "Prepetition ABL Obligations").

These Prepetition ABL Obligations were secured by a first lien on ABL-priority collateral of the Debtors, including certain accounts and inventory (with Hollander Canada's assets only securing its own prepetition ABL Obligations), and a second lien on certain collateral on which the Term Loan Lenders have a first lien. The relative rights and priorities among the ABL Lenders and Term Loan Lenders are governed by an intercreditor agreement.

Pursuant to the terms of the DIP ABL Facility, the Prepetition ABL Obligations will be fully refinanced by the DIP ABL Facility upon entry by the Bankruptcy Court of the final order approving the DIP Facilities.

2. Prepetition Put Agreement.

In November 2018, the Debtors entered into forbearances and an amendment to their credit agreements. In connection with these amendments, Sentinel Capital Partners V, L.P., Sentinel Dream Blocker, Inc., and Sentinel Capital Investors V, L.P. (collectively, together with their permitted successors and assigns, the "Purchasers") entered into a Put Agreement, dated as of November 27, 2018 (the "Put Agreement"), in favor of the ABL Agent and SunTrust Bank, a prepetition lender under the ABL Facility. Subject to the terms and conditions set forth in the Put Agreement, upon the occurrence of certain events of default under the ABL Credit Agreement, the ABL Agent could cause the Purchasers to execute an agreement to purchase their pro rata share of a participation interest in a subordinated last out loan (the "Last Out Loans").

3. Term Loan Facility.

Each Debtor, except for Hollander Canada, is party to that certain Term Loan Credit Agreement, dated as of June 9, 2017 (as amended, restated, supplemented, or otherwise modified from time to time prior to the Petition Date, the "Term Loan Credit Agreement"), by and between Dream II Holdings, LLC and Hollander Home Fashions Holdings, LLC, as parent guarantors, Hollander Sleep Products, LLC, as borrower, Barings Finance LLC, as administrative agent (in such capacity, the "Term Loan Agent"), and the lenders from time to time party thereto. The Prepetition Term Loan Credit Agreement provided the $190 million Term Loan Facility. Dream II Holdings, LLC, Hollander Home Fashions Holdings, LLC, Hollander Sleep Products Kentucky, LLC, Pacific Coast Feather, LLC, and Pacific Coast Feather Cushion, LLC have guaranteed all obligations under the Term Loan

Facility. As of the Petition Date, approximately $166.5 million in aggregate principal amount remained outstanding under the Term Loan Facility. The Term Loan Facility is secured by a first lien on certain collateral of the Debtors, except for Hollander Canada, and a second lien on certain collateral on which the ABL Lenders have a first lien, except for Hollander Canada's assets, which are not encumbered by the Term Loan Facility. The Term Loan Facility, however, is secured by a pledge of 65 percent of Dream II Holdings, LLC's equity interests in Hollander Canada.

4. ABL and Term Loan Intercreditor Agreement.

The relative contractual rights and priorities of the ABL Agent and the Term Loan Agent with respect to shared collateral are governed by that certain Intercreditor Agreement, dated as of June 9, 2017 (as amended, restated, supplemented, waived, or otherwise modified from time to time prior to the Petition Date, the "Intercreditor Agreement"), by and among the ABL Agent and the Term Loan Agent. Pursuant to the Intercreditor Agreement, obligations under the ABL Facility are secured by a first priority lien on, among other things, all assets and interests in assets and proceeds owned or acquired by the Canadian Loan Parties (as defined in the Intercreditor Agreement), the Debtors' accounts (other than certain accounts that are identifiable proceeds of collateral of the Term Loan Facility), inventory, all instruments and chattel paper (excluding all tangible and electronic chattel paper), deposit accounts and securities accounts into which any proceeds of such collateral are deposited into, cash and cash equivalents, all commercial tort claims and general intangibles, investment property, and receivables (collectively, the "ABL Priority Collateral"), and a second priority lien on all other property of the borrowers and the guarantors (collectively, the "Term Loan Priority Collateral"). The Term Loan Priority Collateral includes all non-excluded collateral that is owned or hereafter acquired that does not constitute ABL Priority Collateral.

The Term Loan Lenders' relative priorities mirror the ABL Lenders'; the Term Loan Lenders have a first lien on the Term Loan Priority Collateral and a second lien on the ABL Priority Collateral, excluding the assets of Hollander Canada. Hollander Canada is a borrower under the ABL Facility and the ABL Lenders have a first lien on the Canadian ABL collateral, which includes the assets and interests in assets and proceeds of Canadian accounts, inventory, and similar property securing the Canadian ABL obligations, along with any equity pledges of Canadian entities that are not required to be pledged under the Term Loan Credit Agreement.

E. *The Debtors' Management*.

As of the date hereof, set forth below are the names, position(s), and biographical information of the current Board of Directors of Debtor Dream II Holdings, LLC as well as current key executive officers for the Debtors various businesses. The Board oversees the business and affairs of Debtor Dream II Holdings, LLC and its various subsidiaries.

Name	Position
Chris Baker	Director
Eric D. Bommer	Director
Michael J. Fabian	Director
Steve Cumbow	Director
Matthew R. Kahn	Director
Marc Pfefferle	Chief Executive Officer

Chris Baker. Mr. Baker has been the Executive Chairman of Dream II Holdings, LLC since March 2019. Mr. Baker has an extensive history in corporate management, dating back to 1985. He has served in management roles at Corsicana Mattress Company, WestPoint Home, Springs Global, Network Systems International, Pillowtex

Corporation, and Hollander Sleep Products. Mr. Baker has a bachelor's degree in accounting from the University of Southern Mississippi.

Eric D. Bommer. Mr. Bommer has been the President of Dream II Holdings, LLC since October 2014. Mr. Bommer is a partner at Sentinel, where he has worked since 1997. Prior to joining Sentinel, Mr. Bommer worked as an associate at Kaizen Breakthrough Partnership, a private equity fund that specialized in investing in underperforming midmarket companies. From 1993 to 1995, he was an analyst in the Investment Banking Division of CS First Boston. From 1992 to 1993, Mr. Bommer was a financial analyst at LaSalle Partners. Mr. Bommer currently serves on the board of directors for Apex Companies, GSM Outdoors, The Luminaires Group, Revenew International, SONNY's Enterprises, and Dream II Holdings, LLC. Mr. Bommer has a bachelor's degree in business economics and organizational behavior from Brown University.

Michael J. Fabian. Mr. Fabian has been the Vice President and Treasurer of Dream II Holdings, LLC since October 2014. Mr. Fabian is a partner at Sentinel, where he has worked since 2006. Prior to joining Sentinel, Mr. Fabian worked as an associate at Blue Point Capital Partners, a lower middle market private equity firm. Previously, he was an associate at Brown, Gibbons, Lang & Co., a middle market investment banking firm, an analyst at Deutsche Banc Alex Brown, and an analyst at Conway, DelGenio, Gries & Co., a restructuring advisory boutique. Mr. Fabian currently serves on the board of directors for Apex Companies, Captain D's, Corporate Visions, Marketplace Events, Newk's Eatery, UBEO Business Services, and Dream II Holdings, LLC. Mr. Fabian has a bachelor's degree in business administration from the University of Notre Dame and a master's degree in economics from New York University.

Steve Cumbow. Mr. Cumbow has been a Director for Dream II Holdings, LLC since February 2019. Mr. Cumbow has also been an operating partner at Sentinel since 2015. Prior to becoming an operating partner at Sentinel, Mr. Cumbow worked as a CFO at one of Sentinel's portfolio companies. Prior to joining Sentinel, Mr. Cumbow was a member of the operations team at American Capital, where he served as COO and CFO of two of its portfolio companies. Mr. Cumbow has also served as a CFO and finance director of two Clayton, Dubilier & Rice portfolio companies. Previously, he was a managing director at Nachman Hays Brownstein, Inc., a nationally recognized turnaround firm. Mr. Cumbow has a bachelor's degree in mechanical engineering from the University of Kansas and a master's degree in business administration from Loyola University. Mr. Cumbow is a Certified Turnaround Professional.

Matthew R. Kahn. Mr. Kahn has served as a disinterested director for Dream II Holdings, LLC since May 2019. Mr. Kahn currently works as a consultant, actively serving on the board of directors of a number of private and public companies, including Hollander Sleep Products, Mairec Precious Metals, Z Gallerie, Things Remembered, Approach Resources, Hovensa LLC, and City Fresh. Previously, he spent seventeen years at Gordon Brothers Group, where he was a founding member of the private equity and second lien lending business. Prior to joining Gordon Brothers in 1995, Mr. Kahn served in a number of other roles, including a tenure as the chief financial officer of Joseph Bank Clothiers and as the senior vice president of finance at Nature Food Centres. Mr. Kahn has a bachelor's degree from Georgetown University and a master's degree in business administration from the University of Virginia.

Marc Pfefferle. Mr. Pfefferle has been the Chief Executive Officer of Dream II Holdings, LLC since March 28, 2019. He is also a partner at Carl Marks Advisors. Mr. Pfefferle's primary areas of focus include interim management, strategic planning, business restructuring and operational improvements, bankruptcy, balance sheet recapitalization and refinancing, and plans of reorganization across a variety of industries, including consumer products, manufacturing, retail, healthcare, and distribution related businesses.

Prior to joining Carl Marks in 1992, Mr. Pfefferle was a partner with Marigold Associates, a strategic management consulting firm serving Fortune 100 companies. Previously he was a consulting manager for Price Waterhouse LLP. Mr. Pfefferle holds a bachelor's degree in engineering and a master's degree in business administration from Lehigh University.

F. *Events Leading to these Chapter 11 Cases*.

Beginning in 2017, the Debtors found themselves in a perfect storm of events that stressed their operations. In June 2017, the Debtors acquired one of their biggest competitors, Pacific Coast Feather Company ("PCF"). Shortly after the PCF acquisition, the costs of production increased across the board, including an increase in employee wages; freight, duty, and tariff charges; and the price of raw materials, including fiber, down, and feathers. The financial impact of these unanticipated price increases was in excess of $20 million over the course of approximately one year. These price increases came at a time when the Debtors were working on relocating their headquarters and two of their manufacturing plants. The Debtors, which rely on a substantial amount of low-margin sales to keep their sales volume at projected levels, were hesitant or otherwise unable to increase prices in response to these increased production costs. This left the Debtors without sufficient capital to reinvest in their business. Accordingly, the Debtors underperformed and found themselves in a liquidity crisis. Combined with the relentless competition in the overall marketplace, the Debtors' operations have been stressed for the last several months.

In November 2018, the Debtors recognized the need to improve their liquidity profile to remain a competitive player in the bedding products market and began engaging with their ABL Lenders and Term Loan Lenders, resulting in forbearances, amendments to the Debtors' credit agreements, and the Put Agreement, which reduced the ABL Lenders' exposure and provided the Debtors with continued access to their ABL Facility. Over the following months, however, the Debtors recognized that a more comprehensive solution was necessary.

In February 2019, the Debtors retained Kirkland & Ellis LLP ("Kirkland") to advise on their restructuring alternatives, and then, in late March, the Debtors retained Carl Marks Advisory Group LLC ("Carl Marks") to provide management services. The Debtors later retained Houlihan Lokey Capital, Inc. ("Houlihan") as their financial advisor and investment banker in May 2019, to aid in a review of all strategic alternatives.

As the Debtors worked on developing a business turnaround strategy, they also commenced negotiations with their creditors regarding a comprehensive restructuring of their debt obligations. In February 2019, the Debtors initiated discussions with their ABL Lenders and Term Loan Lenders regarding potential balance-sheet solutions to their liquidity problems.

After significant negotiations, the Debtors entered into the Prepetition RSA with Sentinel and Holders of 100 percent in principal amount of loans under the Term Loan Facility. Among other things, the Prepetition RSA provided a commitment from the Debtors' largest creditor constituency to support a substantial deleveraging of the Debtors' approximately $233 million funded debt capital structure. The Prepetition RSA procured the requisite creditor support for the contemplated chapter 11 plan and secured committed exit financing from certain of the Term Loan Lenders to provide the Exit Term Loan Facility.

Most importantly, the Prepetition RSA ensured that a chapter 11 plan would be confirmed and that a viable business would continue to operate uninterrupted. The Prepetition RSA was instrumental to the Debtors' soft landing into chapter 11 following the commencement of these chapter 11 cases and giving the Debtors' employees, customers, and trade vendors reassurance that the Debtors will successfully reorganize. Additionally, the Debtors negotiated a fiduciary out in the Prepetition RSA that permitted the Debtors to consider any alternative proposals that provide higher or better recoveries for their estates or in the event the Debtors determine that they cannot prosecute the Plan.

Houlihan also commenced a prepetition marketing process relating to the Debtors' assets and continues to actively solicit the market for potential financial and strategic buyers after the formal commencement of these cases. Any such sale would be implemented through the Plan. The Debtors will be willing to enter into a sale or a combination of sales if the Debtors believe, in their business judgment, that such transactions are higher or otherwise better than the proposed transaction embodied in the Plan. Importantly, the parties to the Prepetition RSA (and now the A&R RSA) are active supporters of this market test process.

On the Petition Date, the Debtors commenced these chapter 11 cases. The Debtors are confident that the deleveraging transaction contemplated by the Plan will give them the boost they need to reorient their business for future success. Fortunately, the sleep industry as a whole is both healthy and growing, and management has evaluated the Debtors' position and identified steps the Debtors can take to get back on track, including selective

price increases and material efficiencies, continued diligence in cost-effective sourcing, investing in capital and technological advancements, streamlining the Company's manufacturing footprint, and building the Company's e-commerce business. Market trends favor healthy lifestyle sectors, and the basic beddings segment is generally recession resilient, which reaffirms management's convictions that these chapter 11 cases will provide the Debtors with the opportunity to right-size operations and to invest in equipment in processes that will allow them to utilize raw materials more efficiently, lower their production costs in the long term and re-establish parity with their competitors.

G. *Appointment of Disinterested Director*.

In April and May 2019, respectively, Matthew R. Kahn was appointed as a disinterested director to the Board of Directors of Dream II Holdings, LLC and Hollander Canada, and subsequently granted exclusive authority over conflicts matters. Mr. Kahn has extensive experience serving on boards of managers and boards of directors in distressed situations. Mr. Kahn subsequently directed the Company to retain Proskauer Rose LLP as independent counsel acting at his direction to assist in the discharge of his duties. Mr. Kahn has been granted exclusive authority over conflicts matters.

Mr. Kahn and his professionals undertook an investigation of potential claims in accordance with the duties delegated to him under the resolutions authorizing his appointment. In connection with this investigation, Mr. Kahn approved entry into the A&R RSA, including the releases contained therein.

ARTICLE V.
EVENTS OF THESE CHAPTER 11 CASES

A. *First Day Pleadings and Other Case Matters*.

To minimize disruption to the Debtors' operations, on or shortly after the Petition Date, along with their voluntary petitions for relief under chapter 11 of the Bankruptcy Code, the Debtors filed motions seeking, among other relief, the authority to (1) obtain postpetition financing, use cash collateral, and ensure certain prepetition secured parties are adequately protected [Docket No. 13], (2) continue utilizing the Debtors' prepetition cash management system, including with respect to intercompany transactions [Docket No. 4], (3) honor customer obligations in the ordinary course of business [Docket No. 7], (4) pay vendors critical to the Debtors' go-forward business and lien claimants in the ordinary course of business [Docket No. 6], (5) pay prepetition wages and certain administrative costs related to those wages [Docket No. 5], and (6) pay certain taxes and fees [Docket No. 8] (the "First Day Motions"). The Debtors also filed a motion to authorize Hollander Sleep Products, LLC to act as a foreign representative on behalf of the Debtors in the Canadian Proceedings [Docket No. 11]. A brief description of each of the First Day Motions is also set forth in the *Declaration of Marc Pfefferle Chief Executive Officer of Hollander Sleep Products, LLC, in Support of Debtors' Chapter 11 Petitions and First Day Motions* [Docket No. 3], filed on the Petition Date. After a hearing on May 21, 2019, and a continued "first day" hearing on June 3, 2019, the Bankruptcy Court granted the Debtors a substantial amount of the relief requested in the First Day Motions on an interim basis [Docket Nos. 47, 48, 49, 50, 51, 52, 53, 86]. At the "second day" hearing on July 1, 2019, the Bankruptcy Court granted all of the operational relief sought in the First Day Motions on a final basis, as applicable [Docket No. 164, 163, 167, 166, 165]—with the exception of the bifurcation of the Debtors' DIP financing motion. As discussed more fully below, with respect to that motion, the Bankruptcy Court entered a final order regarding the DIP ABL Facility [Docket No. 175] (the "DIP ABL Final Order") and entered a second interim order with respect to the DIP Term Loan Facility [Docket No. 176] (the "Second Interim DIP Order").

B. *Other Procedural and Administrative Motions*.

The Debtors also filed several other motions on or subsequent to the Petition Date to further facilitate the smooth and efficient administration of these chapter 11 cases and reduce the administrative burdens associated therewith. On the Petition Date, the Debtors filed motions to establish bidding procedures [Docket No. 22] (the "Bidding Procedures Motion") and to approve exit financing [Docket No. 18] (the "Exit Financing Motion"). On May 30, 2019, the Debtors filed motions seeking, among other relief, the authority to pay surety bond obligations [Docket No. 16], pay insurance obligations [Docket No. 15], retain and pay ordinary course professionals [Docket No. 67], establish interim compensation procedures for professionals retained in these

chapter 11 cases [Docket No. 65], and establish bar dates and claims procedures [Docket No. 68] (the "Second Day Motions"). On June 21, 2019, the Bankruptcy Court established bar dates and claims procedures [Docket No. 120]. At the second day hearing on July 1, 2019, the Bankruptcy Court approved the Bidding Procedures Motion and the remaining Second Day Motions [Docket Nos. 180, 171, 168, 169, 179].

The Debtors also filed a number of applications in the beginning of these chapter 11 cases seeking to retain certain professionals postpetition. On the Petition Date, the Debtors filed an application to retain Omni Management Group LLC, as notice and claims agent to the Debtors [Docket No. 12], which application was approved by the Bankruptcy Court on May 23, 2019 [Docket No. 54]. On May 30, 2019, the Debtors filed additional applications to obtain authority to retain various professionals to assist the Debtors in carrying out their duties under the Bankruptcy Code during these chapter 11 cases, including (a) Kirkland, as counsel to the Debtors [Docket No. 70], (b) Houlihan, as financial advisor and investment banker to the Debtors [Docket No. 69], (c) Omni Management Group LLC as administrative advisor [Docket No. 66], and (d) Proskauer Rose LLP, as counsel to the Debtors to serve at the direction of the disinterested director [Docket No. 71]. Also on May 30, 2019, the Debtors filed a motion to retain Carl Marks Advisory Group LLC, to provide the Debtors a CEO, a CFO, and certain additional personnel [Docket No. 64]. The foregoing professionals are, in part, responsible for the administration of these chapter 11 cases, and each of their retentions were approved at the second day hearing [Docket Nos. 174, 205, 170, 172, 182]. The postpetition compensation of all of the Debtors' professionals is subject to the approval of the Bankruptcy Court.

As described above, following the Petition Date, Hollander Sleep Products, LLC, in its capacity as "foreign representative" of the Debtors, including Hollander Canada, commenced the Canadian Proceedings seeking recognition of these chapter 11 cases as "foreign main proceedings" and certain other Bankruptcy Court orders under Part IV of the CCAA. On May 23, 2019, the Canadian Court issued initial recognition and supplemental orders that approved the requested relief. On July 5, 2019, the Canadian Court issued a recognition order, among other things, recognizing certain additional orders made by the Bankruptcy Court.

C. *Appointment of the UCC*.

On May 30, 2019, the U.S. Trustee filed the Notice of Appointment of Official Committee of Unsecured Creditors [Docket No. 61], notifying parties in interest that the U.S. Trustee had appointed the UCC in these chapter 11 cases. The UCC is currently composed of the following members: (a) Roind Hometex Co., Ltd., (b) Hangzhou Chuangyuan Feather Co., Ltd., (c) Hollander NC IA LLC, (d) NAP Industries, Inc., and (e) Packaging Corporation of America. The UCC has retained Pachulski Stang Ziehl & Jones as its legal counsel [Docket Nos. 153, 210] and Alvarez & Marsal North America LLC as its financial advisors [Docket Nos. 154, 209]. On July 9, 2019, the UCC filed a motion to retain Gowling WLG as Canadian counsel [Docket No. 198], and set the application for presentment on July 17, 2019.

D. *Approval of DIP Financing Facilities*.

The Debtors negotiated $118 million in debtor in possession financing facilities, including (i) a $90 million DIP asset-based loan facility ("DIP ABL Facility") with their existing ABL Lenders on terms reasonably consistent with the prepetition ABL Facility and (ii) the new money $28 million DIP Term Loan Facility (together with the DIP ABL Facility, the "DIP Facilities"). The DIP ABL Facility provides the Debtors with necessary access to liquidity during the pendency of these chapter 11 cases and allows them to maintain their existing cash management system, all at fees and rates that the Debtors and their advisors consider to be reasonable under the circumstances. Specifically, the DIP ABL Facility includes a $90 million asset-based lending facility, under which all of the Debtors are jointly and severally liable, whereby the Debtors' obligations under their prepetition ABL Facility were fully refinanced. Additionally, upon entry of the DIP Term Loan Final Order the Debtors will have access to the entire DIP Term Loan Facility, which will provide $28 million in new money and will roll into the $58 million Exit Term Loan Facility upon emergence from these chapter 11 cases. The DIP Term Loan Facility will also provide the Debtors with an infusion of capital that will allow them to meet current estimated capital expenditures and allow them to invest in critical improvements for their go-forward business.

The DIP ABL Facility includes a subordinated portion of "last out" loans. The Debtors' existing ABL Lenders required that certain affiliates and funds of Sentinel purchase participation interests in these loans as

part of the DIP ABL Facility. The Last Out DIP Obligations and Last Out Obligations (as defined in the DIP ABL Credit Agreement), as applicable, include interest at the default rate and reasonable and documented fees and expenses of the Put Purchasers, such amounts not to be paid currently but to accrue as part of the Last Out DIP Obligations and Last Out Obligations, as applicable.

The debtor-in-possession credit agreements contain milestones the Debtors must meet throughout their chapter 11 cases and in the Canadian Proceedings. The milestones were negotiated by the agents and lenders to the DIP Facilities as a condition to providing the DIP Facilities and provide the Debtors with adequate time to implement a value-maximizing restructuring.

On May 23, 2019, the Bankruptcy Court entered an order approving the DIP Facilities on an interim basis [Docket No. 53] (the "Interim DIP Order"). The Interim DIP Order did not approve the milestones contained in the debtor-in-possession credit agreements. The Debtors entered into the DIP ABL Facility and the DIP Term Loan Facility on May 23, 2019, at which time the Debtors refinanced the obligations under the ABL Facility and had access to $15 million under the DIP Term Loan Facility.

On July 3, 2019, the Bankruptcy Court entered the Second Interim DIP Order with respect to the DIP Term Loan Facility. The Second Interim DIP Order extended the Interim DIP Order for a second interim period and approved the Debtors' access to an additional $5 million under the DIP Term Loan Facility on an interim basis funded at the discretion of the DIP Term Loan Agent at the discretion of the required DIP Term Loan Lenders. On July 3, the Bankruptcy Court also entered the DIP ABL Final Order, which approved the Debtors' access to the entire $90 million DIP ABL Facility on a final basis, but adjourned a final determination with respect to the section 506(c) waiver sought through the second interim period. On July 19, the Bankruptcy Court entered the DIP Term Loan Final Order, which fully approved the DIP Term Loan Facility on a final basis. The DIP Term Loan Final Order also approved the section 506(c) waivers.

The DIP Facilities, including the approved DIP ABL Facility, contain the following critical case milestones (excluding milestone dates that have occurred in the past and various recognition order date milestones with respect to the Canadian Proceedings, which are 3 business days following the entry of certain orders by the Bankruptcy Court):

Date	Milestone
August 2, 2019	Outside date for Claims Bar Date
August 2, 2019	Entry of Disclosure Statement Order
September 6, 2019	Entry of the Confirmation Order
September 6, 2019	The Debtors shall have entered into a commitment letter reasonably acceptable to the ABL Agent to fund an exit asset-backed credit facility.
September 16, 2019	Outside date for the Effective Date

E. *Approval of the Exit Backstop Commitment Letter*.

On the Petition Date, the Debtors filed the Exit Financing Motion, which seeks authority to enter into a backstop commitment letter for a $30 million new money senior secured first-lien term loan facility (the "New Money Exit Term Loan") as part of the $58 million Exit Term Loan Facility, and a related fee letter.

The Debtors commenced these chapter 11 cases with a commitment from certain of their prepetition Term Loan Lenders to provide a holistic financing package to fund the Debtors' chapter 11 cases and go-forward business upon emergence. Specifically, the participating Term Loan Lenders agreed to fund the DIP Term Loan Facility that

will roll into the $58 million Exit Term Loan Facility on the effective date of the Plan with a commitment to backstop the remaining $30 million of new money under the same facility. This committed exit financing is critical to the Debtors' chapter 11 cases, provides certainty to their reorganization, and sends a strong signal to the market that the Debtors will emerge from bankruptcy with sufficient liquidity. Additionally, the exit financing commitment is part of the comprehensive value-maximizing restructuring transaction embodied in the A&R RSA and Plan.

Consideration of the Exit Financing Motion is continued to the hearing on Plan confirmation or such other date that will be duly noticed.

F. *Marketing Process*.

Prior to the Petition Date, the Debtors commenced a marketing process to market test the restructuring transactions contemplated in the A&R RSA and Plan. On May 19, 2019, the Debtors filed a motion seeking approval of Bidding Procedures and a proposed confirmation schedule. The Bidding Procedures were approved on July 3, 2019 [Docket No. 180]. Under the Bidding Procedures, the deadline for parties to submit non-binding indications of interest was July 15, 2019, and the deadline for parties to submit binding bids is August 8, 2019. Bids must meet the requirements set forth in the Bidding Procedures. An auction, if any, will occur on August 12, 2019.

The Debtors are keeping the advisors to their major stakeholders (including the UCC, the ABL Lenders, the Term Loan Lenders, and Sentinel) apprised of this process, including any indications of interest received.

G. *Plan Exclusivity.*

The initial periods pursuant to section 1121 of the Bankruptcy Code during which the Debtors have the exclusive right to file and solicit a chapter 11 plan are set to expire on September 16, 2019, and November 19, 2019, respectively, absent extension.

H. *Key Employee Retention Program.*

On July 3, 2019, the Debtors filed a motion seeking approval of the Debtors' key employee retention programs (collectively, the "KERP") [Docket No. 186]. The Debtors designated 74 non insider employees to participate in the KERP, which is comprised of a standard retention plan (the "Hollander Retention Plan") and a retention plan specific to the wind down of the Thomson, Georgia manufacturing plant (the "Georgia Retention Plan"). The Hollander Retention Plan covers 47 employees, and the Georgia Retention Plan covers 28 participants.

Under the proposed programs, participants in the Hollander Retention Plan will each receive one retention payment with an average award of approximately $7,600 per participant, with no single participant eligible for an award totaling more than $20,000 and with $10,000 as the most common award. The awards under the Georgia Retention Plan are less substantial in both total amount and individual awards. The total payments proposed to be made under the Hollander Retention Plan and the Georgia Retention Plan will not exceed $559,000. A hearing on approval of the KERP has been scheduled for August 1, 2019.

I. *Thomson Plant Closure*.

As part of the Debtors' right-sizing efforts, the Debtors have commenced the process of closing their manufacturing plant located in Thomson, Georgia. The Debtors' wind-down plan for the Thomson plant complies with the WARN Act's requirements, and the Debtors do not anticipate that the closure will have a significant impact on these chapter 11 cases.

On July 3, 2019, the Debtors filed a motion seeking approval of a plant closure settlement agreement they reached with the Southern Regional Joint Board of Workers United, SEIU on behalf of Local 2420 [Docket No. 185]. A hearing on approval of the union settlement agreement has been scheduled for August 1, 2019.

J. *Schedules and Statements and Claims Process*.

On May 30, 2019, the Debtors filed the Bar Date Motion to set bar dates and establish procedures for filing proofs of claim in these chapter 11 cases. On June 21, 2019, the Bankruptcy Court entered an order approving the Bar Date Motion [Docket No. 120], which established July 29, 2019, at 5:00 p.m., prevailing Eastern Time, as the Claims Bar Date and November 15, 2019, at 5:00 p.m., prevailing Eastern Time, as the bar date for governmental units.

On June 21, 2019, the Debtors filed their Schedules of Assets and Liabilities and Statement of Financial Affairs (the "Schedules and Statements").

K. *Settlement with the UCC.*

As discussed above, the Debtors, the Term Loan Lenders, and Sentinel engaged the UCC on the terms of a comprehensive settlement. The Debtors and the UCC each made proposals, and the parties held an "all hands" meeting on June 27, 2019, to discuss the potential constructs for a global case resolution. Following that meeting, the parties exchanged numerous proposals, ultimately reaching an agreement in principle on July 13, 2019. The terms of this global agreement were documented in the A&R RSA between the parties and are incorporated in the Plan. The Debtors have separately filed a motion seeking authority to assume the A&R RSA and approval of the releases and settlements incorporated therein, which motion is set for hearing on August 1, 2019. If approved, certain provisions of the settlement would survive if the Plan is not confirmed and there is a liquidation (through either chapter 7 or chapter 11), including a more limited distribution to general unsecured creditors upon satisfaction of certain conditions.

The material terms of the settlement include:

- in a reorganization, the Term Loan Lenders will consent to (a) the Debtors' funding of the GUC Reorganization Recovery Pool for the benefit of the Holders of General Unsecured Claims with Cash in the amount of $500,000, *less* any fees, expenses, and disbursements of the Plan Administrator in excess of the Plan Administrator Budget, including any fees, expenses, and disbursements associated with the prosecution of Commercial Tort Claims, if any, and (b) if the Reorganized Debtors are sold within 24 months of the Effective Date and the Term Loan Lenders receive more than a 30% recovery on account of their Term Loan Claims (based on the full amount of each such Holder's Term Loan Claim) (which shall be calculated after payment in full of the Exit Facilities, any claims related to the foregoing, and any replacement or additional money raised to fund the Reorganized Debtors, the sources and uses of such sale transaction, and any other obligations repaid as part of such transaction), the Future Sale Consideration which shall consist of 5% of each dollar in excess thereof;

- in lieu of any recovery from the GUC Reorganization Recovery Pool, certain "Supporting Vendors" who agree to provide standard prepetition trade credit to the Reorganized Debtors on the most favorable terms extended by such vendor in the 12 months before the Petition Date (but in no event less than 60-day terms) for the 12-month period beginning on the Effective Date, the Debtors will pay such vendor either: (a)(i) a payment of 3.0% of the average outstanding payable balance for the 12-month period beginning on the Effective Date to be paid in six monthly installments *plus* (ii) 1% of such vendor's Allowed General Unsecured Claim, or (b) a letter of credit from the Reorganized Debtors backing the payment of the moving average outstanding payable balance for the 12-month period beginning on the Effective Date;

- in the event there is a Sale Transaction, the Term Loan Lenders will consent to the Debtors' funding of a recovery pool for the benefit of the Holders of General Unsecured Claims from the first available proceeds of the Term Loan Priority Collateral with (a) Cash in the amount of $600,000, *plus* (b) if the Term Loan Lenders receive more than a 30% recovery on account of their Term Loan Claims (based on the full amount of each such Holder's Term Loan Claim), 5% of each dollar in excess thereof, *plus* (c) if the Term Loan Lenders receive more than a 50% recovery on account of their Term Loan Claims (based on the full amount of each such Holder's Term Loan Claim), 7.5% of each dollar in excess thereof, *less* (d) any fees, expenses, and disbursements of the Plan Administrator in excess of the Plan Administrator Budget,

including any fees, expenses, and disbursements associated with the prosecution of Commercial Tort Claims, if any (the "GUC Sale Transaction Recovery Pool");

- Sentinel will cause to be funded the Last Out Loans Turnover Amounts with up to $650,000 in the aggregate for the benefit of Holders of General Unsecured Claims, which amount shall be paid from (i) the first $200,000 of any proceeds distributed to Sentinel as a Holder of Last Out DIP Loan Claims on account of such Claims (including, after being rolled into any Exit ABL Facility, on account of any repayment as part of such Exit ABL Facility), *plus* (ii) 50 percent of each dollar received in excess of the first $200,000 of any such proceeds distributed to Sentinel or its affiliates as a Holder of Last Out DIP Loan Claims up to a total maximum amount of $650,000 (inclusive of the first $200,000 of proceeds paid);

- the A&R RSA provides for mutual releases among the parties to the A&R RSA (including to the Sponsor, Put Purchasers, and other Sponsor Released Parties and the Consenting Term Loan Released Parties, each as defined in the A&R RSA), subject to revocation solely with respect to the releases granted to any party that breaches the A&R RSA.

- the Debtors (and any successors thereto) will cause all Commercial Tort Proceeds and any Commercial Tort Claims belonging to the Debtors to be assigned and transferred for the benefit of Holders of General Unsecured Claims;

- the Debtors (and any successors thereto) will not initiate, prosecute, transfer, or otherwise attempt to collect upon any Avoidance Actions;

- the Term Loan Lenders will forgo any Term Loan Deficiency Claim under the Plan; and

- the UCC will limit all fees and expenses that may be incurred by professionals retained by the UCC in these chapter 11 cases and for which reimbursement is sought to $300,000 per month.

This foregoing settlement represents a significant step forward in these chapter 11 cases. The compromises and settlements to be implemented pursuant to the Plan preserve value by enabling the Debtors to avoid costly and time-consuming litigation that could delay the Debtors' emergence from chapter 11, which will benefit all of the Debtors' stakeholders.

ARTICLE VI.
SUMMARY OF THE PLAN

This section provides a summary of the structure and means for implementation of the Plan and the classification and treatment of Claims and Interests under the Plan, and is qualified in its entirety by reference to the Plan (as well as the exhibits thereto and definitions therein).

The statements contained in this Disclosure Statement include summaries of the provisions contained in the Plan and in the documents referred to therein. The statements contained in this Disclosure Statement do not purport to be precise or complete statements of all the terms and provisions of the Plan or documents referred to therein, and reference is made to the Plan and to such documents for the full and complete statement of such terms and provisions of the Plan or documents referred to therein.

The Plan controls the actual treatment of Claims against, and Interests in, the Debtors under the Plan and will, upon the occurrence of the Effective Date, be binding upon all Holders of Claims against and Interests in the Debtors, the Debtors' Estates, the Reorganized Debtors, all parties receiving property under the Plan, and other parties in interest. In the event of any conflict between this Disclosure Statement and the Plan or any other operative document, the terms of the Plan and/or such other operative document shall control.

A. *Treatment of Unclassified Claims*.

In accordance with section 1123(a)(1) of the Bankruptcy Code, DIP Claims, Administrative Claims, Professional Fee Claims, and Priority Tax Claims have not been classified and, thus, are excluded from the Classes of Claims and Interests set forth in Article III of the Plan.

1. Administrative Claims.

To the extent an Allowed Administrative Claim has not already been paid in full or otherwise satisfied during the Chapter 11 Cases, each Holder of an Allowed Administrative Claim (other than Holders of Professional Fee Claims) will receive in full and final satisfaction of its Allowed Administrative Claim an amount of Cash equal to the amount of the unpaid portion of such Allowed Administrative Claim in accordance with the following: (1) if such Administrative Claim is Allowed on or prior to the Effective Date, no later than 30 days after the Effective Date or as soon as reasonably practicable thereafter (or, if not then due, when such Allowed Administrative Claim is due or as soon as reasonably practicable thereafter); (2) if such Administrative Claim is not Allowed as of the Effective Date, no later than 30 days after the date on which an order Allowing such Administrative Claim becomes a Final Order, or as soon as reasonably practicable thereafter; (3) if such Allowed Administrative Claim is based on liabilities incurred by the Debtors in the ordinary course of their business after the Petition Date, in accordance with the terms and conditions of the particular transaction or course of business giving rise to such Allowed Administrative Claim, without any further action by the Holder of such Allowed Administrative Claim; (4) at such time and upon such terms as may be agreed upon by the Holder of such Allowed Administrative Claim and the Debtors or the Reorganized Debtors, as applicable; or (5) at such time and upon such terms as set forth in a Final Order of the Bankruptcy Court.

Except for Professional Fee Claims and DIP Claims, and unless previously Filed, requests for payment of Administrative Claims must be Filed and served on the Reorganized Debtors no later than the Administrative Claim Bar Date pursuant to the procedures specified in the Confirmation Order and the notice of entry of the Confirmation Order and will be subject to objection procedures. Administrative Claims that are not timely and properly asserted will be deemed discharged as of the Effective Date without need for an objection, notice, or Bankruptcy Court action.

2. Professional Fee Claims.

All final requests for payment of Professional Fee Claims for services rendered and reimbursement of expenses incurred prior to the Confirmation Date must be Filed no later than 30 days after the Effective Date. The Bankruptcy Court shall determine the Allowed amounts of such Professional Fee Claims after notice and a hearing in accordance with the procedures established by the Bankruptcy Code, Bankruptcy Rules, and prior Bankruptcy Court orders. The Reorganized Debtors shall pay the amount of the Allowed Professional Fee Claims owing to the Professionals in Cash to such Professionals, including from funds held in the Professional Fee Escrow Account as soon as reasonably practicable after such Professional Fee Claims are Allowed by entry of an order of the Bankruptcy Court.

As soon as practicable after Confirmation Date and before the Effective Date, the Debtors shall establish the Professional Fee Escrow Account, funded with cash in an amount equal to the aggregate good-faith fee and expense estimates provided by the applicable Professionals. The Professional Fee Escrow Account shall be maintained in trust solely for the Professionals and for no other Entities until all Professional Fee Claims Allowed by the Bankruptcy Court have been irrevocably paid in full to the Professionals pursuant to one or more Final Orders of the Bankruptcy Court. No Liens, claims, or interests shall encumber the Professional Fee Escrow Account or Cash held in the Professional Fee Escrow Account in any way. Funds held in the Professional Fee Escrow Account shall not be considered property of the Estates, the Debtors, or the Reorganized Debtors.

From and after the Confirmation Date, the Debtors shall, in the ordinary course of business and without any further notice to or action, order, or approval of the Bankruptcy Court, pay in Cash the reasonable and documented legal, professional, or other fees and expenses related to implementation of the Plan and Consummation incurred by (a) the Debtors or the Reorganized Debtors after the Confirmation Date, (b) the UCC after the Confirmation Date through and including the Effective Date, in the ordinary course of business. The Debtors or Reorganized Debtors,

as applicable, may return to the Bankruptcy Court to dispute the reasonableness of fees and expenses as necessary or appropriate.

3. DIP Claims.

As of the Effective Date, the DIP Claims shall be Allowed and deemed to be Allowed Claims in the full amount outstanding under the DIP Credit Agreements, including principal, interest, fees, costs, other charges, and expenses. Upon the indefeasible payment or satisfaction in full in Cash of the Allowed DIP Claims in accordance with the terms of this Plan, or other such treatment as contemplated by Article II.C of the Plan, on the Effective Date all Liens and security interests granted to secure such obligations shall be automatically terminated and of no further force and effect without any further notice to or action, order, or approval of the Bankruptcy Court or any other Entity.

(a) DIP ABL Claims.

Except as set forth in Article II.C.2 of the Plan and to the extent that a Holder of an Allowed DIP ABL Claim agrees to a less favorable treatment, in full and final satisfaction, compromise, settlement, release, and discharge of, and in exchange for, each Allowed DIP ABL Claim, each such Holder of an Allowed DIP ABL Claim shall receive on the Effective Date (a) payment in full in Cash of such Holder's Allowed DIP ABL Claim pursuant to the Payoff Letter or (b) at such Holder's election and agreement by the Debtors, such Holder's Pro Rata share of the Exit ABL Facility. Notwithstanding anything to the contrary in this Plan, the Reorganized Debtors shall be and remain bound by the indemnification and expense reimbursement provisions of the Payoff Letter in favor of the DIP ABL Agent and DIP ABL Lenders. Pursuant to the DIP ABL Credit Agreement, all distributions pursuant to this Article II.C.1 of the Plan shall be made to the DIP ABL Agent for distributions to the DIP ABL Lenders in accordance with the DIP ABL Credit Agreement and DIP ABL Loan Documents.

(b) Last Out DIP Loan Claims.

If the Term Loan Lenders are the Winning Bidder, in full and final satisfaction, compromise, settlement, release, and discharge of, and in exchange for, each Allowed Last Out DIP Loan Claim, each such Holder of an Allowed Last Out DIP Loan Claim (or to the extent the Last Out Loans are not rolled into the Last Out DIP Loans, the Holders of Last Out Loans) shall, subject to the Last Out Loans Turnover, receive such Holder's Pro Rata share of the Exit ABL Facility on a last out basis (on terms reasonably acceptable to each Holder of an Allowed Last Out DIP Loan Claim (or Last Out Loans)). The Exit ABL Documents shall include provisions necessary to implement the Last Out Loans Turnover.

Subject to the Last Out Loans Turnover, if an Entity other than the Term Loan Lenders is the Winning Bidder, each Holder of an Allowed Last Out DIP Loan Claim (or to the extent the Last Out Loans are not rolled into the Last Out DIP Loans, the Holders of Last Out Loans) shall receive payments in accordance with the waterfall provisions of the DIP ABL Credit Agreement, the DIP Intercreditor Agreement, and the DIP ABL Final Order and DIP Term Loan Final Order.

(c) DIP Term Loan Claims.

In full and final satisfaction, compromise, settlement, release, and discharge of, and in exchange for, each Allowed DIP Term Loan Claim, each such Holder of an Allowed DIP Term Loan Claim shall receive on the Effective Date either: (a) if an Entity other than the Term Loan Lenders is the Winning Bidder, (i) payment in full in Cash of such Holder's Allowed DIP Term Loan Claim, or (ii) at such Holder's election and agreement by the Debtors, such Holder's Pro Rata share of the Exit Term Loan Facility; or (b) if the Term Loan Lenders are the Winning Bidder, its Pro Rata share of (i) 37 percent of the New Interests outstanding on the Effective Date, subject to dilution for the Management Incentive Plan, and (ii) the DIP Term Loan Debt Consideration. The DIP Term Loan Claims shall be Allowed in the aggregate amount outstanding under the DIP Term Loan Credit Facility as of the Effective Date; provided, however, that the DIP Term Loan Claims in respect of contingent and unliquidated obligations of the Debtor under the DIP Term Loan Credit Agreement shall survive the Effective Date on an unsecured basis and shall not be discharged or released pursuant to the Plan or Confirmation Order, and shall be paid by the Reorganized Debtors as and when due under the DIP Term Loan Documents. Pursuant to the DIP Term Loan Credit Agreement, all distributions pursuant to Article II.C.3 of the Plan shall be made to the DIP Term Loan

Agent for distributions to the DIP Term Loan Lenders in accordance with the DIP Term Loan Credit Agreement and DIP Term Loan Documents.

4. Priority Tax Claims.

Except to the extent that a Holder of an Allowed Priority Tax Claim agrees to a less favorable treatment, in full and final satisfaction, compromise, settlement, release, and discharge of, and in exchange for, each Allowed Priority Tax Claim, each Holder of such Allowed Priority Tax Claim shall be treated in accordance with the terms set forth in section 1129(a)(9)(C) of the Bankruptcy Code and, for the avoidance of doubt, Holders of Allowed Priority Tax Claims will receive interest on such Allowed Priority Tax Claims after the Effective Date in accordance with sections 511 and 1129(a)(9)(C) of the Bankruptcy Code.

B. *Classification and Treatment of Claims and Interests*.

1. Classification of Claims and Interests.

Except for the Claims addressed in Article II of the Plan, all Claims and Interests are classified in the Classes set forth in Article III of the Plan for all purposes, including voting, Confirmation, and distributions pursuant to the Plan and in accordance with section 1122 and 1123(a)(1) of the Bankruptcy Code. A Claim or an Interest is classified in a particular Class only to the extent that such Claim or Interest qualifies within the description of that Class and is classified in other Classes to the extent that any portion of such Claim or Interest qualifies within the description of such other Classes. A Claim or an Interest also is classified in a particular Class for the purpose of receiving distributions under the Plan only to the extent that such Claim or Interest is an Allowed Claim or Allowed Interest in that Class and has not been paid, released, or otherwise satisfied prior to the Effective Date.

The classification of Claims and Interests against each Debtor pursuant to the Plan is as set forth below. The Plan shall apply as a separate Plan for each of the Debtors, and the classification of Claims and Interests set forth herein shall apply separately to each of the Debtors. All of the potential Classes for the Debtors are set forth herein. Certain of the Debtors may not have Holders of Claims or Interests in a particular Class or Classes, and such Claims shall be treated as set forth in III.F of the Plan. For all purposes under the Plan, each Class will contain sub-Classes for each of the Debtors, except that Class 8 shall be vacant at each Debtor other than Dream II Holdings, LLC. Voting tabulations for recording acceptances or rejections of the Plan shall be conducted on a Debtor-by-Debtor basis.

The classification of Claims and Interests against each Debtor (as applicable) pursuant to the Plan is as follows:

Class	Claims and Interests	Status	Voting Rights
1	Other Priority Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
2	Other Secured Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
3	Secured Tax Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
4	Term Loan Claims	Impaired	Entitled to Vote
5	General Unsecured Claims	Impaired	Entitled to Vote
6	Intercompany Claims	Impaired or Unimpaired	Not Entitled to Vote (Deemed to Reject)
7	Intercompany Interests	Impaired or Unimpaired	Not Entitled to Vote (Deemed to Accept or Reject)
8	Interests in Dream II	Impaired	Not Entitled to Vote (Deemed to Reject)
9	Section 510(b) Claims	Impaired	Not Entitled to Vote (Deemed to Reject)

2. Treatment of Claims and Interests.

Subject in all respects to the Plan, and to the extent a Class contains Allowed Claims or Allowed Interests with respect to any Debtor, the treatment of Allowed Claims and Allowed Interests is set forth below.

- **Class 1 - Other Priority Claims**—Except to the extent that a Holder of an Allowed Other Priority Claim agrees to less favorable treatment, on the Effective Date, in full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for such Allowed Other Priority Claim, each Holder of an Allowed Other Priority Claim shall receive, at the option of the applicable Debtor or Reorganized Debtor: (i) payment in full in Cash of the unpaid portion of its Other Priority Claim on the later of the Effective Date and such date such Other Priority Claim becomes an Allowed Other Priority Claim; or (ii) such other treatment rendering such Holder's Allowed Other Priority Claim Unimpaired.

- **Class 2 - Other Secured Claims**—Except to the extent that a Holder of an Allowed Other Secured Claim agrees to less favorable treatment, on the Effective Date, in full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for such Allowed Other Secured Claim, each Holder of an Allowed Other Secured Claim shall receive, at the option of the applicable Debtor or Reorganized Debtor: (i) payment in full in Cash of such Holder's Allowed Other Secured Claim; (ii) the collateral securing such Holder's Allowed Other Secured Claim; (iii) Reinstatement of such Holder's Allowed Other Secured Claim; or (iv) such other treatment rendering such Holder's Allowed Other Secured Claim Unimpaired.

- **Class 3 - Secured Tax Claims**—Except to the extent that a Holder of an Allowed Secured Tax Claim and the applicable Debtor or Reorganized Debtor agree to a less favorable treatment, in full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for such Secured Tax Claim, each such Holder shall receive, at the option of the applicable Debtor or Reorganized Debtor, as applicable: (i) payment in full in Cash of the unpaid portion of such Holder's Allowed Secured Tax Claim on the later of the Effective Date and such date such Secured Tax Claim becomes an Allowed Secured Tax Claim; or (ii) equal semi-annual Cash payments commencing as of the Effective Date or as soon as reasonably practicable thereafter and continuing for five years from the Petition Date, in an aggregate amount equal to such Allowed Secured Tax Claim, together with interest at the applicable rate under non-bankruptcy law, subject to the option of the Reorganized Debtors to prepay the entire amount of such Allowed Secured Tax Claim during such time period.

- **Class 4 - Term Loan Claims**—Except to the extent that a Holder of an Allowed Term Loan Claim agrees to less favorable treatment, on the Effective Date, in full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for such Allowed Term Loan Claim, each Holder of an Allowed Term Loan Claim shall receive either: (i) if an Entity other than the Term Loan Lenders is the Winning Bidder, its Pro Rata share of the Term Loan Distributable Cash up to the full amount of such Holder's Allowed Term Loan Claim or such other treatment rendering such Holder's Allowed Term Loan Claim Unimpaired; or (ii) if the Term Loan Lenders are the Winning Bidder, its Pro Rata share of 23 percent of the New Interests outstanding on the Effective Date, subject to dilution for the Management Incentive Plan.

- **Class 5 - General Unsecured Claims**—Except to the extent that a Holder of an Allowed General Unsecured Claim agrees to less favorable treatment, on the Effective Date, in full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for such Allowed General Unsecured Claim, each Holder of an Allowed General Unsecured Claim shall, up to the full amount of such Holder's Allowed General Unsecured Claim, receive: (i) its Pro Rata share of the Last Out Loans Turnover Amount, (ii) its Pro Rata share of Commercial Tort Proceeds, if any; and (iii) either: (a) if the Term Loan Lenders are the Winning Bidder, its Pro Rata share of the Future Sale Consideration, if any, *plus* either: (1) its Pro Rata share of the GUC Reorganization Recovery Pool; or (2) if the Holder is a Supporting Vendor, the Vendor Support Incentive (*provided* that no Holder that receives the Vendor Support Incentive shall receive such Holder's portion of the GUC Reorganization Recovery Pool); or

(b) if an Entity other than the Term Loan Lenders is the Winning Bidder, its Pro Rata share of the GUC Sale Transaction Recovery Pool and the Excess Distributable Cash.

- **Class 6 - Intercompany Claims**—Intercompany Claims shall be, at the option of the Debtors, in consultation with the Term Loan Agent and the Required Term Lenders, either: (i) Reinstated; or (ii) cancelled and released without any distribution on account of such Claims.

- **Class 7 - Intercompany Interests**—Intercompany Interests shall be, at the option of the Debtors, in consultation with the Term Loan Agent and the Required Term Lenders, either: (i) Reinstated in accordance with Article III.G of the Plan; or (ii) cancelled and released without any distribution on account of such Interests.

- **Class 8 - Interests in Dream II**—On the Effective Date, all Interests in Dream II will be cancelled, released, and extinguished, and will be of no further force or effect.

- **Class 9 - Section 510(b) Claims**—Allowed Section 510(b) Claims, if any, shall be discharged, cancelled, released, and extinguished as of the Effective Date, and will be of no further force or effect, and Holders of Allowed Section 510(b) Claims will not receive any distribution on account of such Allowed Section 510(b) Claims.

3. Special Provision Governing Unimpaired Claims.

Except as otherwise provided in the Plan, nothing under the Plan shall affect the Debtors' rights in respect of any Claims that are Unimpaired, including all rights in respect of legal and equitable defenses to or setoffs or recoupments against any such Claims that are Unimpaired. Unless otherwise Allowed, Claims that are Unimpaired shall remain Disputed Claims under the Plan.

4. Confirmation Pursuant to 1129(a)(10) and 1129(b) of the Bankruptcy Code.

Section 1129(a)(10) of the Bankruptcy Code shall be satisfied for purposes of Confirmation by acceptance of the Plan by at least one Impaired Class of Claims. The Debtors shall seek Confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code with respect to any rejecting Class of Claims or Interests. The Debtors reserve the right to modify the Plan in accordance with Article X of the Plan to the extent, if any, that Confirmation pursuant to section 1129(b) of the Bankruptcy Code requires modification, including by modifying the treatment applicable to a Class of Claims or Interests to render such Class of Claims or Interests Unimpaired to the extent permitted by the Bankruptcy Code and the Bankruptcy Rules.

5. Subordinated Claims.

Except as expressly provided in the Plan, the allowance, classification, and treatment of all Allowed Claims and Interests and the respective distributions and treatments under the Plan take into account and conform to the relative priority and rights of the Claims and Interests in each Class in connection with any contractual, legal, and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, section 510(b) of the Bankruptcy Code, or otherwise. Pursuant to section 510 of the Bankruptcy Code, the Debtors and the Reorganized Debtors reserve the right to reclassify any Allowed Claim or Interest in accordance with any contractual, legal, or equitable subordination relating thereto.

6. Elimination of Vacant Classes; Presumed Acceptance by Non-Voting Classes.

Any Class of Claims or Interests that does not have a Holder of an Allowed Claim or Allowed Interest or a Claim or Interest temporarily Allowed by the Bankruptcy Court in an amount greater than zero as of the date of the Confirmation Hearing shall be considered vacant and deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code.

If a Class contains Claims or Interests eligible to vote and no Holders of Claims or Interests eligible to vote in such Class vote to accept or reject the Plan, the Holders of such Claims or Interests in such Class shall be deemed to have accepted the Plan.

7. Intercompany Interests.

To the extent Reinstated under the Plan, distributions on account of Intercompany Interests are not being received by Holders of such Intercompany Interests on account of their Intercompany Interests but for the purposes of administrative convenience, for the ultimate benefit of the Holders of the New Interests, and in exchange for the Debtors' and Reorganized Debtors' agreement under the Plan to provide management services to certain other Debtors and Reorganized Debtors, to use certain funds and assets as set forth in the Plan to make certain distributions and satisfy certain obligations of certain other Debtors and Reorganized Debtors to the Holders of certain Allowed Claims. For the avoidance of doubt, any Interest in non-Debtor subsidiaries owned by a Debtor shall continue to be owned by the applicable Reorganized Debtor.

8. Controversy Concerning Impairment.

If a controversy arises as to whether any Claims or Interests, or any Class of Claims or Interests, are Impaired, the Bankruptcy Court shall, after notice and a hearing, determine such controversy on or before the Confirmation Date.

C. *Means for Implementation of the Plan*.

1. General Settlement of Claims and Interests.

As discussed herein and as otherwise provided in the Plan, pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and applicable law, and in consideration for the classification, distributions, releases, and other benefits provided under the Plan, including (1) the Debtors' agreement to (a) provide an additional Vendor Support Incentive to Supporting Vendors, (b) turn over any Commercial Tort Proceeds for the benefit of the Holders of General Unsecured Claims, and (c) waive Avoidance Actions; (2) the Term Loan Lenders' agreement to (a) in the event that the Term Loan Lenders are the Winning Bidder, consent to the Debtors' funding of the GUC Reorganization Recovery Pool and the Reorganized Debtors' funding the Future Sale Consideration (as applicable), (b) in the event there is a Sale Transaction, consent to the Debtors' funding of the GUC Sale Transaction Recovery Pool, and (c) subject to the occurrence of the Effective Date, forgo any Term Loan Deficiency Claim; (3) the Sponsor's agreement to fund the Last Out Loans Turnover Amount; and (4) the UCC's agreement to (a) support and take, and refrain from taking, actions set forth in the RSA, including taking those actions necessary to obtain Bankruptcy Court approval of the Plan and Disclosure Statement and (b) abide by the Committee Monthly Fee Cap, upon the Effective Date, the provisions of the Plan shall constitute and be deemed a good-faith compromise and settlement of all Claims, Interests, Causes of Action, and controversies released, settled, compromised, discharged, or otherwise resolved pursuant to the Plan, including (1) any challenge to the amount, validity, perfection, enforceability, priority, or extent of all Term Loan Claims, DIP Claims, and all ABL Claims (including any liens related to the foregoing), (2) any Avoidance Actions, and (3) any claims or Causes of Action against the Holders of Term Loan Claims, DIP Claims, ABL Claims, or Interests. The Plan shall be deemed a motion to approve the Plan Settlement pursuant to Bankruptcy Rule 9019, and the entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of such compromise and settlement under section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, as well as a finding by the Bankruptcy Court that such settlement and compromise is fair, equitable, reasonable, and in the best interests of the Debtors and their Estates. Subject to Article VI of the Plan, all distributions made to Holders of Allowed Claims and Allowed Interests, as applicable, in any Class are intended to be and shall be final.

2. Restructuring Transactions.

On the Effective Date, the applicable Debtors or the Reorganized Debtors shall enter into any transaction and shall take any actions as may be necessary or appropriate to effect a corporate restructuring of their respective businesses or a corporate restructuring of the overall corporate structure of the Debtors on the terms set forth in the

Plan, including, as applicable, entry into the Exit Facilities, entry into the New Organizational Documents, consummation of the Sale Transaction in the event that the Winning Bidder is an Entity other than the Term Loan Lenders, the issuance of all securities, notes, instruments, certificates, and other documents required to be issued pursuant to the Plan, and/or the entry into one or more intercompany mergers, consolidations, amalgamations, arrangements, continuances, restructurings, conversions, dispositions, dissolutions, transfers, liquidations, spinoffs, intercompany sales, purchases, or other corporate transactions with the reasonable consent of the Term Loan Agent and the Required Term Lenders. The actions to implement the Restructuring Transactions may include: (1) the execution and delivery of appropriate agreements or other documents of merger, consolidation, amalgamation, arrangement, continuance, restructuring, conversion, disposition, dissolution, transfer, liquidation, spinoff, sale, or purchase containing terms that are consistent with the terms of the Plan and that satisfy the applicable requirements of applicable law and any other terms to which the applicable Entities may agree; (2) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any asset, property, right, liability, debt, or obligation on terms consistent with the terms of the Plan and having other terms for which the applicable Entities agree; (3) the filing of appropriate certificates or articles of incorporation, reincorporation, formation, merger, consolidation, conversion, amalgamation, arrangement, continuance, or dissolution pursuant to applicable state or provincial law; and (4) all other actions that the applicable Entities determine to be necessary or appropriate, including making filings or recordings that may be required by applicable law in connection with the Plan.

3. Reorganized Debtors.

On the Effective Date, the New Board shall be established, and the Reorganized Debtors shall adopt the New Organizational Documents. The Reorganized Debtors shall be authorized to implement the Restructuring Transactions and adopt any other agreements, documents, and instruments and to take any other actions contemplated under the Plan as necessary or desirable to consummate the Plan, which actions, regardless of whether taken before, on, or after the Effective Date, shall be deemed to constitute a Restructuring Transaction.

4. Sources of Consideration for Plan Distributions.

The Reorganized Debtors will fund distributions under the Plan with Cash held on the Effective Date by or for the benefit of the Debtors or Reorganized Debtors, including Cash from operations, as well as the following sources of consideration.

(a) Exit Facilities.

On the Effective Date, the Reorganized Debtors shall execute and deliver the Exit Facility Documents to the applicable Exit Facility Administrative Agent and such documents shall become effective in accordance with their terms. On and after the Effective Date, the Exit Facility Documents shall constitute legal, valid, and binding obligations of the Reorganized Debtors and be enforceable in accordance with their respective terms.

The Exit Facilities shall consist of the Exit ABL Facility and the Exit Term Loan Facility. On the Effective Date, the Exit Term Loan Lenders shall fund the Exit Term Loan Facility and the Exit ABL Lenders shall fund the Exit ABL Facility. If the Term Loan Lenders are the Winning Bidder, in exchange for the commitment to fund the Exit Term Loan Facility, each Exit Term Loan Lender shall receive its Pro Rata share of 40 percent of the New Interests outstanding on the Effective Date, subject to dilution for the Management Incentive Plan, and such other consideration as set forth in the Exit Facility Documents.

The terms for the Exit Facilities will be determined in accordance with the Reorganized Debtors' contemplated post-Effective Date business plan following and depending on the results of the Auction (which may contemplate the continued ownership or operation of all or only some of the Debtors' assets), and any documentation necessary to implement the Exit Facilities will be included in the Plan Supplement. The Reorganized Debtors shall use proceeds of the Exit Facilities, as applicable, to fund ongoing operations and distributions under the Plan and to satisfy other Cash obligations under the Plan.

Confirmation shall be deemed approval of the Exit Facility Documents (including the transactions and fees contemplated thereby, and all actions to be taken, undertakings to be made, and obligations and guarantees to be

incurred and fees paid in connection therewith), and, to the extent not approved by the Bankruptcy Court previously, the Reorganized Debtors will be authorized to execute and deliver any and all documents necessary or appropriate to obtain and enter into the Exit ABL Facility and the Exit Term Loan Facility, including the entry into the Exit Facility Documents, without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order or rule or vote, consent, authorization, or approval of any Person, subject to such modifications as the Debtors or Reorganized Debtors, with the reasonable consent of the Exit Term Loan Lenders, may deem to be necessary to consummate the Exit ABL Facility and the Exit Term Loan Facility.

(b) Issuance of the New Interests.

All existing Interests in Dream II shall be automatically cancelled on the Effective Date and the Reorganized Debtors shall issue the New Interests to Entities entitled to receive the New Interests pursuant to the Plan. The issuance of the New Interests is authorized without the need for any further corporate action and without any further action by the Holders of Claims or Interests or the Debtors or the Reorganized Debtors, as applicable. The New Organizational Documents, as applicable, shall authorize the issuance and distribution on the Effective Date of the New Interests to the Disbursing Agent for the benefit of Entities entitled to receive the New Interests pursuant to the Plan. All of the New Interests issued under the Plan shall be duly authorized, validly issued, fully paid, and non-assessable. Each distribution and issuance of the New Interests under the Plan shall be governed by the terms and conditions set forth in the Plan applicable to such distribution or issuance and by the terms and conditions of the instruments evidencing or relating to such distribution or issuance, which terms and conditions shall bind each Entity receiving such distribution or issuance. Any Entity's acceptance of New Interests shall be deemed as its agreement to the New Organizational Documents, as the same be amended or modified from time to time following the Effective Date in accordance with their terms. The New Interests will not be registered on any exchange as of the Effective Date.

(c) Last Out Loans Turnover.

The Sponsor shall cause to be delivered the Last Out Loans Turnover Amount to fund recoveries for the Holders of General Unsecured Claims. In a Sale Transaction, the Last Out Loans Turnover Amount shall be funded solely from the Cash proceeds, if any, received by the Sponsor on account of the Last Out DIP Loan Claims. If the Term Loan Lenders are the Winning Bidder and the Last Out DIP Loans are rolled into the Exit ABL Facility, the Sponsor (or its affiliated Entities) will fund the Last Out Loans Turnover Amount solely from the Cash proceeds it ultimately receives on account of the Last Out DIP Loans that have been converted into such Exit ABL Facility (in either case solely through a future pay down of such loans or from future proceeds the Sponsor (or its affiliated Entities) receives in the event of a sale of all or a portion of such loans following the Effective Date).

5. Sale Transaction.

Continuing after the Petition Date, the Debtors will conduct a marketing and Auction process of some or all of the Debtors' assets in accordance with the Bidding Procedures to determine the Winning Bidder. The Bidding Procedures will set forth the terms of an Initial Minimum Overbid, will provide that all bids for the ABL Priority Collateral must be in cash unless otherwise agreed by the DIP ABL Agent (with respect to the ABL Priority Collateral), and will provide that any bids placed by any of the DIP Agents or the Prepetition Agents must be in accordance with the DIP Intercreditor Agreement. The Debtors will seek to elicit a higher or better Sale Transaction offer, if any, pursuant to the process set forth in the Bidding Procedures. If no Entity submits an Initial Minimum Overbid, the Term Loan Lenders will be deemed the Winning Bidder for purposes of the Plan, and the Debtors will seek Confirmation of the Plan as contemplated herein. If the Debtors are able to secure a higher or otherwise better offer in accordance with the Bidding Procedures, and the Winning Bidder is an Entity other than the Term Loan Lenders, Holders of Term Loan Claims will be paid the Term Loan Distributable Cash as set forth in Article III of the Plan and the Sale Transaction will be consummated pursuant to the Plan in accordance with terms to be set forth in the Confirmation Order and Plan Supplement, as applicable. If the Debtors are unable to secure such higher or otherwise better offer at the conclusion of the marketing and Auction process contemplated by the Bidding Procedures, the Term Loan Lenders will be deemed to be the Winning Bidder for purposes of the Plan, and the Debtors will seek Confirmation of the Plan as contemplated herein.

6. Term Loan Deficiency Claim Waiver.

The Holders of Term Loan Deficiency Claims shall not receive any distribution on account of such Claims, and, subject to the occurrence of the Effective Date, such Term Loan Deficiency Claims shall be deemed waived.

7. Avoidance Actions Waiver.

The Debtors and the Reorganized Debtors waive all Avoidance Actions.

8. Corporate Existence.

Except as otherwise provided in the Plan, on and after the Effective Date, each Debtor shall continue to exist as a Reorganized Debtor and as a separate corporation, limited liability company, partnership, or other form of entity, as the case may be, with all the powers of a corporation, limited liability company, partnership, or other form of entity, as the case may be, pursuant to the applicable law in the jurisdiction in which each applicable Debtor is incorporated or formed and pursuant to the respective certificate of incorporation and bylaws (or other similar formation and governance documents) in effect prior to the Effective Date, except to the extent such certificate of incorporation and bylaws (or other similar formation and governance documents) are amended under the Plan or otherwise, and to the extent such documents are amended, such documents are deemed to be amended pursuant to the Plan and require no further action or approval (other than any requisite filings required under applicable state, provincial, or federal law).

9. Vesting of Assets in the Reorganized Debtors.

Except as otherwise provided in the Plan or any agreement, instrument, or other document incorporated in the Plan, on the Effective Date, all property in each Estate (including Interests held by the Debtors in non-debtor subsidiaries), all Causes of Action (other than Avoidance Actions), all Executory Contracts and Unexpired Leases assumed by any of the Debtors, and any property acquired by any of the Debtors pursuant to the Plan shall vest in each respective Reorganized Debtor, free and clear of all Liens, Claims, charges, or other encumbrances. On and after the Effective Date, except as otherwise provided in the Plan, each Reorganized Debtor may operate its business and may use, acquire, or dispose of property and compromise or settle any Claims, Interests, or Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

10. Cancellation of Existing Securities and Agreements.

On the Effective Date, except as otherwise specifically provided for in the Plan: (1) the obligations of the Debtors under the ABL Credit Agreement, the Term Loan Credit Agreement, and any other certificate, Security, share, note, bond, indenture, purchase right, option, warrant, or other instrument or document directly or indirectly evidencing or creating any indebtedness or obligation of or ownership interest in the Debtors or giving rise to any Claim or Interest (except such certificates, notes, or other instruments or documents evidencing indebtedness or obligation of or ownership interest in the Debtors that are Reinstated pursuant to the Plan) shall be cancelled solely as to the Debtors and their Affiliates, and the Reorganized Debtors shall not have any continuing obligations thereunder; and (2) the obligations of the Debtors and their Affiliates pursuant, relating, or pertaining to any agreements, indentures, certificates of designation, bylaws, or certificate or articles of incorporation or similar documents governing the shares, certificates, notes, bonds, indentures, purchase rights, options, warrants, or other instruments or documents evidencing or creating any indebtedness or obligation of or ownership interest in the Debtors (except such agreements, certificates, notes, or other instruments evidencing indebtedness or obligation of or ownership interest in the Debtors that are specifically Reinstated pursuant to the Plan) shall be released and discharged. Notwithstanding the foregoing, no executory contract or unexpired lease (i) that has been, or will be, assumed pursuant to section 365 of the Bankruptcy Code or (ii) relating to a Claim that was paid in full prior to the Effective Date, shall be terminated or cancelled on the Effective Date, except that (a) the ABL Credit Agreement and Term Loan Credit Agreement shall continue in effect solely for the purpose of (I) allowing Holders of the ABL Claims and Term Loan Claims, as applicable, to receive the distributions provided for under the Plan, (II) allowing the ABL Agent and Term Loan Agent to receive or direct distributions from the Debtors and to make further

distributions to the Holders of such Claims on account of such Claims, as set forth in Article VI.A of the Plan, and (III) preserving the ABL Agent's and Term Loan Agent's right to indemnification pursuant and subject to the terms of the ABL Credit Agreement and Term Loan Credit Agreement in respect of any Claim or Cause of Action asserted against the ABL Agent or Term Loan Agent, as applicable, *provided* that any Claim or right to payment on account of such indemnification shall be an Administrative Claim, and (b) the foregoing shall not affect the cancellation of shares issued pursuant to the Plan nor Intercompany Interests, which shall be treated as set forth in Article III.B.8 of the Plan.

11. Corporate Action.

Upon the Effective Date, all actions contemplated under the Plan, regardless of whether taken before, on, or after the Effective Date, shall be deemed authorized and approved in all respects, including: (1) selection of the directors and officers for the Reorganized Debtors, if applicable; (2) the issuance of the New Interests, if applicable; (3) implementation of the Restructuring Transactions, if applicable; (4) consummation of the Sale Transaction, if applicable; (5) execution of the Exit ABL Credit Agreement, Exit Term Loan Credit Agreement, and any and all other agreements, documents, securities, and instruments relating thereto, if applicable; (6) the entry into the Payoff Letter with respect to the DIP ABL Claims; and (7) all other actions contemplated under the Plan (whether to occur before, on, or after the Effective Date). All matters provided for in the Plan or deemed necessary or desirable by the Debtors before, on, or after the Effective Date involving the corporate structure of the Debtors or the Reorganized Debtors, and any corporate action required by the Debtors or the Reorganized Debtors in connection with the Plan or corporate structure of the Debtors or Reorganized Debtors shall be deemed to have occurred and shall be in effect on the Effective Date, without any requirement of further action by the security holders, directors, managers, or officers of the Debtors or the Reorganized Debtors. Before, on, or after the Effective Date, the appropriate officers of the Debtors or the Reorganized Debtors, as applicable, shall be authorized to issue, execute, and deliver the agreements, documents, securities, and instruments contemplated under the Plan (or necessary or desirable to effect the transactions contemplated under the Plan) in the name of and on behalf of the Reorganized Debtors, to the extent not previously authorized by the Bankruptcy Court. The authorizations and approvals contemplated by Article IV.K of the Plan shall be effective notwithstanding any requirements under non-bankruptcy law.

12. New Organizational Documents.

On or immediately prior to the Effective Date, the New Organizational Documents shall be amended as necessary to effectuate the transactions contemplated by the Plan in a manner reasonably acceptable to the Term Loan Agent and the Required Term Lenders. Each of the Reorganized Debtors will file its New Organizational Documents with the applicable Secretaries of State and/or other applicable authorities in its respective state, province, or country of incorporation in accordance with the corporate laws of the respective state, province, or country of incorporation. The New Organizational Documents will prohibit the issuance of non-voting equity securities, to the extent required under section 1123(a)(6) of the Bankruptcy Code.

13. Directors, Managers, and Officers of the Reorganized Debtors.

As of the Effective Date, the term of the current members of the board of managers of the Debtors shall expire, and the initial boards of directors, including the New Board, and the officers of each of the Reorganized Debtors shall be appointed in accordance with the respective New Organizational Documents. Pursuant to section 1129(a)(5) of the Bankruptcy Code, the Debtors will disclose in advance of the Confirmation Hearing the identity and affiliations of any Person proposed to serve on the initial board of directors or be an officer of any of the Reorganized Debtors. To the extent any such director or officer of the Reorganized Debtors is an "insider" under the Bankruptcy Code, the Debtors also will disclose the nature of any compensation to be paid to such director or officer. Each such director and officer shall serve from and after the Effective Date pursuant to the terms of the New Organizational Documents and other constituent documents of the Reorganized Debtors.

14. Effectuating Documents; Further Transactions.

On and after the Effective Date, the Reorganized Debtors, and the officers and members of the boards of directors or managers thereof, are authorized to and may issue, execute, deliver, file, or record such contracts,

Securities, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of the Plan, the Restructuring Transactions, and the Securities issued pursuant to the Plan in the name of and on behalf of the Reorganized Debtors, without the need for any approvals, authorization, or consents except for those expressly required pursuant to the Plan.

15. Exemption from Securities Act Registration.

Pursuant to section 1145 of the Bankruptcy Code and, to the extent that section 1145 of the Bankruptcy Code is inapplicable, section 4(a)(2) of the Securities Act, the issuance of the New Interests as contemplated by the Plan is exempt from, among other things, the registration requirements of section 5 of the Securities Act and any other applicable United States, state, or local law requiring registration for offer or sale of a security or registration or licensing of an issuer of, underwriter of, or broker or dealer in, a security.

The Reorganized Debtors will rely on section 1145 of the Bankruptcy Code to exempt from the registration requirements of the Securities Act the offer, issuance, and distribution of the New Interests to such Holders of Claims in Class 4 and Holders of DIP Term Loan Claims. As long as the exemption to registration under section 1145 of the Bankruptcy Code is applicable, the New Interests are not "restricted securities" (as defined in rule 144(a)(3) under the Securities Act) and are freely tradable and transferable by any initial recipient thereof that (1) is not an "affiliate" of the Reorganized Debtors (as defined in rule 144(a)(1) under the Securities Act), (2) has not been such an "affiliate" within 90 days of such transfer, and (3) is not an entity that is an "underwriter" as defined in section 1145(b) of the Bankruptcy Code. *See* Article IX.

Shares of New Interests will be distributed under the Plan to the Exit Term Loan Lenders. The Reorganized Debtors will rely on section 4(a)(2) of the Securities Act to exempt from the registration requirements of the Securities Act and similar blue sky law provisions the offer, issuance, and distribution of the New Interests to the Exit Term Loan Lenders. The New Interests issued to the Exit Term Loan Lenders will be "restricted securities" subject to resale restrictions and may be resold, exchanged, assigned or otherwise transferred only pursuant to a registration statement or an applicable exemption from registration under the Securities Act, such as the exemptions provided by Rule 144, Rule 144A, and Reg S under the Securities Act, and other under applicable law. *See* Article IX.

16. Exemption from Certain Taxes and Fees.

To the fullest extent permitted by section 1146(a) of the Bankruptcy Code and applicable law, any transfers (whether from a Debtor to a Reorganized Debtor or to any other Person) of property under the Plan or pursuant to: (1) the issuance, distribution, transfer, or exchange of any debt, equity security, or other interest in the Debtors or the Reorganized Debtors including the Exit ABL Facility, the Exit Term Loan Facility, and the New Interests, (2) the Restructuring Transactions, (3) the creation, modification, consolidation, termination, refinancing, and/or recording of any mortgage, deed of trust, or other security interest, or the securing of additional indebtedness by such or other means, (4) the making, assignment, or recording of any lease or sublease, (5) the grant of collateral as security for any or all of the Exit Facilities, as applicable, or (6) the making, delivery, or recording of any deed or other instrument of transfer under, in furtherance of, or in connection with, the Plan, including any deeds, bills of sale, assignments, or other instrument of transfer executed in connection with any transaction arising out of, contemplated by, or in any way related to the Plan (including the Sale Transaction, if applicable), shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, sale or use tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, regulatory filing or recording fee, or other similar tax or governmental assessment, and upon entry of the Confirmation Order, the appropriate state or local governmental officials or agents shall forgo the collection of any such tax or governmental assessment and accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax, recordation fee, or governmental assessment. All filing or recording officers (or any other Person with authority over any of the foregoing), wherever located and by whomever appointed, shall comply with the requirements of section 1146(c) of the Bankruptcy Code, shall forgo the collection of any such tax or governmental assessment, and shall accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

17. Preservation of Causes of Action.

In accordance with section 1123(b) of the Bankruptcy Code, but subject in all respects to Articles IV and VIII of the Plan, the Reorganized Debtors shall retain and may enforce all rights to commence and pursue, as appropriate, any and all Causes of Action, whether arising before or after the Petition Date, including any actions specifically enumerated in the Schedule of Retained Causes of Action and notwithstanding the rejection of any Executory Contract or Unexpired Lease during the Chapter 11 Cases or pursuant to the Plan, and the Reorganized Debtors' rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date, other than Avoidance Actions and the Causes of Action released by the Debtors pursuant to the releases and exculpations contained in the Plan, including in Article VIII, which shall be deemed released and waived by the Debtors and Reorganized Debtors as of the Effective Date; *provided* that Commercial Tort Claims shall be preserved for the sole benefit of the Holders of General Unsecured Claims and only the Plan Administrator shall have an obligation to commence, prosecute, or settle such Commercial Tort Claims, if any.

The Reorganized Debtors may pursue such Causes of Action, as appropriate, in accordance with the best interests of the Reorganized Debtors. The applicable Reorganized Debtors, through their authorized agents or representatives, shall retain and may exclusively enforce any and all such Causes of Action. The Reorganized Debtors shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Causes of Action and to decline to do any of the foregoing without the consent or approval of any third party or further notice to or action, order, or approval of the Bankruptcy Court.

No Entity may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Cause of Action against it as any indication that the Debtors or the Reorganized Debtors, as applicable, will not pursue any and all available Causes of Action against it, except as otherwise expressly provided in the Plan, including Articles IV and VIII of the Plan. The Debtors or the Reorganized Debtors, as applicable, expressly reserve all rights to prosecute any and all Causes of Action against any Entity, except as otherwise expressly provided in the Plan, including Articles IV and VIII of the Plan. Unless any Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan or a Final Order, the Reorganized Debtors expressly reserve all Causes of Action, for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise), or laches, shall apply to such Causes of Action upon, after, or as a consequence of the Confirmation or Consummation.

D. *Settlement, Release, Injunction, and Related Provisions.*

1. Discharge of Claims and Termination of Interests.

Pursuant to, and to the maximum extent provided by, section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan or in any contract, instrument, or other agreement or document created pursuant to the Plan, the distributions, rights, and treatment that are provided in the Plan shall be in complete satisfaction, discharge, and release, effective as of the Effective Date, of Claims (including any Intercompany Claims resolved or compromised after the Effective Date by the Reorganized Debtors), Interests, and Causes of Action of any nature whatsoever, including any interest accrued on Claims or Interests from and after the Petition Date, whether known or unknown, against, liabilities of, Liens on, obligations of, rights against, and Interests in, the Debtors or any of their assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims and Interests, including demands, liabilities, and Causes of Action that arose before the Effective Date, any liability (including withdrawal liability) to the extent such Claims or Interests relate to services performed by current or former employees of the Debtors prior to the Effective Date and that arise from a termination of employment, any contingent or non-contingent liability on account of representations or warranties issued on or before the Effective Date, and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not: (1) a Proof of Claim or Proof of Interest based upon such debt, right, or Interest is Filed or deemed Filed pursuant to section 501 of the Bankruptcy Code; (2) a Claim or Interest based upon such debt, right, or Interest is Allowed pursuant to section 502 of the

Bankruptcy Code; or (3) the Holder of such a Claim or Interest has accepted the Plan. Any default or "event of default" by the Debtors or their Affiliates with respect to any Claim or Interest that existed immediately prior to or on account of the filing of the Chapter 11 Cases shall be deemed cured on the Effective Date. The Confirmation Order shall be a judicial determination of the discharge of all Claims and Interests subject to the occurrence of the Effective Date.

2. Release of Liens.

Except as otherwise provided in the Exit Facility Documents, the Plan, the Plan Supplement, or any contract, instrument, release, or other agreement or document created pursuant to the Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to the Plan and, in the case of an Other Secured Claim (other than any Claim secured by the Administration Charge) or Secured Tax Claim, satisfaction in full of the portion of the Other Secured Claim (other than any Claim secured by the Administration Charge) or Secured Tax Claim that is Allowed as of the Effective Date and required to be satisfied pursuant to the Plan, except for Other Secured Claims (other than any Claim secured by the Administration Charge) that the Debtors elect to reinstate in accordance with Article III.B.1 of the Plan, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estates shall be fully released, settled, compromised, and discharged, and all of the right, title, and interest of any Holder of such mortgages, deeds of trust, Liens, pledges, or other security interests shall revert automatically to the applicable Debtor and its successors and assigns. Any Holder of such Secured Claim (and the applicable agents for such Holder) shall be authorized and directed to release any collateral or other property of any Debtor (including any cash collateral and possessory collateral) held by such Holder (and the applicable agents for such Holder), and to take such actions as may be reasonably requested by the Reorganized Debtors to evidence the release of such Lien, including the execution, delivery, and filing or recording of such releases. The presentation or filing of the Confirmation Order to or with any federal, state, provincial, or local agency or department shall constitute good and sufficient evidence of, but shall not be required to effect, the termination of such Liens.

3. Debtor Release.

Effective as of the Effective Date, pursuant to section 1123(b) of the Bankruptcy Code, for good and valuable consideration, including the service of the Released Parties in facilitating the expeditious reorganization of the Debtor and implementation of the restructuring contemplated by the Plan, the adequacy of which is hereby confirmed, on and after the Effective Date each Released Party is deemed released and discharged by each and all of the Debtors, the Reorganized Debtors, and their Estates, in each case on behalf of themselves and their respective successors, assigns, and representatives, and any and all other Entities who may purport to assert any Cause of Action, directly or derivatively, by, through, for, or because of the foregoing Entities, from any and all Claims, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, including any derivative claims, asserted or assertable on behalf of any of the Debtors, the Reorganized Debtors, or their Estates, as applicable, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, that the Debtors, the Reorganized Debtors, or their Estates or Affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim against, or Interest in, a Debtor or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions, the Restructuring Transactions, the Sale Transaction (if applicable), entry into the Exit Facilities, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, filing, or consummation of the RSA, the Disclosure Statement, the Prepetition Facilities, the DIP Facilities, the Sale Transaction (if applicable), the Exit Facilities, the Plan, the Plan Supplement, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the RSA, the Disclosure Statement, the Prepetition Facilities, the DIP Facilities, or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of securities pursuant to the Plan, or the distribution of

property under the Plan or any other related agreement, or upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, other than claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes actual fraud, willful misconduct, or gross negligence, each solely to the extent as determined by a Final Order of a court of competent jurisdiction. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release (1) any post-Effective Date obligations of any party or Entity under the Plan, any Restructuring Transaction, or any document, instrument, or agreement (including the Exit Facility Documents and any documents set forth in the Plan Supplement) executed to implement the Plan and (2) any Causes of Action listed on the Schedule of Retained Causes of Action.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Debtor Release, which includes by reference each of the related provisions and definitions contained in the Plan, and further, shall constitute the Bankruptcy Court's finding that each Debtor Release is: (1) in exchange for the good and valuable consideration provided by the Released Parties, (2) a good-faith settlement and compromise of such Claims; (3) in the best interests of the Debtors and all Holders of Claims and Interests; (4) fair, equitable, and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to any of the Debtors or Reorganized Debtors or their respective Estates asserting any claim, Cause of Action, or liability related thereto, of any kind whatsoever, against any of the Released Parties or their property.

4. Third-Party Release.

Effective as of the Effective Date, in exchange for good and valuable consideration, including the obligations of the Debtors under the Plan and the contributions of the Released Parties in facilitating the expeditious reorganization of the Debtors and the implementation of the restructuring contemplated by the Plan, to the fullest extent permissible under applicable law, as such law may be extended or integrated after the Effective Date, on and after the Effective Date each of the Releasing Parties shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever, released and discharged each Debtor, Reorganized Debtor, and Released Party from any and all Claims, interests, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, including any derivative claims, asserted or assertable on behalf of any of the Debtors, the Reorganized Debtors, or their Estates, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions, the Restructuring Transactions, the Sale Transaction (if applicable), entry into the Exit Facilities, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, filing, or consummation of the RSA, the Disclosure Statement, the DIP Facilities, the Sale Transaction (if applicable), the Exit Facilities, the Plan, the Plan Supplement, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the RSA, the Disclosure Statement, the DIP Facilities, or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, other than claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes actual fraud, willful misconduct, or gross negligence, each solely to the extent as determined by a Final Order of a court of competent jurisdiction. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release any post-Effective Date obligations of any party or Entity under the Plan, any Restructuring Transaction, or any document, instrument, or agreement (including the Exit Facility Documents and any documents set forth in the Plan Supplement) executed to implement the Plan.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Third-Party Release, which includes by reference each of the related provisions

and definitions contained in the Plan, and further, shall constitute the Bankruptcy Court's finding that each Third-Party Release is: (1) in exchange for the good and valuable consideration provided by the Released Parties, (2) a good-faith settlement and compromise of such Claims; (3) in the best interests of the Debtors and all Holders of Claims and Interests; (4) fair, equitable, and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to any of the Debtors or Reorganized Debtors or their respective Estates asserting any claim, Cause of Action, or liability related thereto, of any kind whatsoever, against any of the Released Parties or their property.

5. Exculpation.

Effective as of the Effective Date, to the fullest extent permissible under applicable law and without affecting or limiting either the Debtor Release or the Third-Party Release, and except as otherwise specifically provided in the Plan, no Exculpated Party shall have or incur, and each Exculpated Party is hereby exculpated from, any Cause of Action for any Claim related to any act or omission based on the negotiation, execution, and implementation of any transactions approved by the Bankruptcy Court in the Chapter 11 Cases, including the RSA, the Disclosure Statement, the Plan, the Plan Supplement, the Confirmation Order, or any Restructuring Transaction, contract, instrument, release, or other agreement or document contemplated by the Plan or the reliance by any Exculpated Party on the Plan or the Confirmation Order, created or entered into in connection with the RSA, the Disclosure Statement, or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance of any securities pursuant to the Plan or the distribution of property under the Plan or any other related agreement, and the implementation of the Restructuring Transactions contemplated by the Plan, except for Claims related to any act or omission that is determined by Final Order to have constituted actual fraud, willful misconduct, or gross negligence, but in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan. The Exculpated Parties have, and upon completion of the Plan shall be deemed to have, participated in good faith and in compliance with the applicable laws with regard to the solicitation of votes on, and distribution of consideration pursuant to, the Plan and, therefore, are not, and on account of such distributions shall not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan. Notwithstanding the foregoing, the exculpation shall not release any obligation or liability of any Entity for any post-Effective Date obligation under the Plan or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan.

6. Injunction.

Effective as of the Effective Date, pursuant to section 524(a) of the Bankruptcy Code, to the fullest extent permissible under applicable law, and except as otherwise expressly provided in the Plan or for obligations issued or required to be paid pursuant to the Plan or the Confirmation Order, all Entities who have held, hold, or may hold Claims or Interests that have been discharged pursuant to Article VIII.A of the Plan, released pursuant to the Debtor Release, the Third-Party Release, or another provision of the Plan (including the release of liens pursuant to Article VIII.B of the Plan), or are subject to exculpation pursuant to Article VIII.E of the Plan, are permanently enjoined, from and after the Effective Date, from taking any of the following actions against, as applicable, the Debtors, the Reorganized Debtors, the Exculpated Parties, or the Released Parties: (1) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests; (2) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against such Entities on account of or in connection with or with respect to any such Claims or Interests; (3) creating, perfecting, or enforcing any encumbrance of any kind against such Entities or the property or the estates of such Entities on account of or in connection with or with respect to any such Claims or Interests; (4) asserting any right of setoff, subrogation, or recoupment of any kind, against any obligation due from such Entities or against the property of such Entities on account of or in connection with or with respect to any such Claims or Interests unless such Holder has Filed a motion requesting the right to perform such setoff on or before the Effective Date, and notwithstanding an indication of a Claim or Interest or otherwise that such Holder asserts, has, or intends to preserve any right of setoff pursuant to applicable law or otherwise; and

(5) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests released or settled pursuant to the Plan.

Upon entry of the Confirmation Order and recognition by the Canadian Court of the Confirmation Order in the Recognition Proceedings, all Holders of Claims and Interests and their respective current and former employees, agents, officers, directors, principals, and direct and indirect affiliates shall be enjoined from taking any actions to interfere with the implementation or Consummation of the Plan. Each Holder of an Allowed Claim or Allowed Interest, as applicable, by accepting, or being eligible to accept, distributions under or Reinstatement of such Claim or Interest, as applicable, pursuant to the Plan, shall be deemed to have consented to the injunction provisions set forth in this Article VIII.F of the Plan.

7. Protections Against Discriminatory Treatment.

To the maximum extent provided by section 525 of the Bankruptcy Code and the Supremacy Clause of the U.S. Constitution, all Entities, including Governmental Units, shall not discriminate against the Reorganized Debtors or deny, revoke, suspend, or refuse to renew a license, permit, charter, franchise, or other similar grant to, condition such a grant to, discriminate with respect to such a grant against, the Reorganized Debtors, or another Entity with whom the Reorganized Debtors have been associated, solely because each Debtor has been a debtor under chapter 11 of the Bankruptcy Code, has been insolvent before the commencement of the Chapter 11 Cases (or during the Chapter 11 Cases but before the Debtors are granted or denied a discharge), or has not paid a debt that is dischargeable in the Chapter 11 Cases.

8. Document Retention.

On and after the Effective Date, the Reorganized Debtors may maintain documents in accordance with their standard document retention policy, as may be altered, amended, modified, or supplemented by the Reorganized Debtors.

9. Reimbursement or Contribution.

If the Bankruptcy Court disallows a Claim for reimbursement or contribution of an Entity pursuant to section 502(e)(1)(B) of the Bankruptcy Code, then to the extent that such Claim is contingent as of the time of allowance or disallowance, such Claim shall be forever disallowed and expunged notwithstanding section 502(j) of the Bankruptcy Code, unless prior to the Confirmation Date: (1) such Claim has been adjudicated as non-contingent or (2) the relevant Holder of a Claim has Filed a non-contingent Proof of Claim on account of such Claim and a Final Order has been entered prior to the Confirmation Date determining such Claim as no longer contingent.

10. Term of Injunctions or Stays.

Unless otherwise provided in the Plan or in the Confirmation Order, all injunctions or stays in effect in the Chapter 11 Cases pursuant to sections 105 or 362 of the Bankruptcy Code or any order of the Bankruptcy Court, and extant on the Confirmation Date (excluding any injunctions or stays contained in the Plan or the Confirmation Order), shall remain in full force and effect until the Effective Date. All injunctions or stays contained in the Plan or the Confirmation Order shall remain in full force and effect in accordance with their terms.

11. Subordination Rights.

The classification and manner of satisfying all Claims and Interests under the Plan take into consideration all subordination rights, whether arising under general principles of equitable subordination, contract, section 510(c) of the Bankruptcy Code, or otherwise, that a Holder of a Claim or Interest may have against other Claim or Interest Holders with respect to any distribution made pursuant to the Plan. Except as provided in the Plan, all subordination rights that a Holder of a Claim may have with respect to any distribution to be made pursuant to the Plan shall be discharged and terminated, and all actions related to the enforcement of such subordination rights shall be permanently enjoined.

Pursuant to Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided under the Plan, the provisions of the Plan shall constitute a good faith compromise and settlement of all claims or controversies relating to the subordination rights that a older of a Claim may have with respect to any Allowed Claim or any distribution to be made pursuant to the Plan on account of any Allowed Claim. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, as of the Effective Date, of the compromise or settlement of all such claims or controversies and the Bankruptcy Court's finding that such compromise or settlement is in the best interests of the Debtors, the Estates, the Reorganized Debtors, their respective property, and Holders of Claims and Interests and is fair, equitable, and reasonable.

E. *Conditions Precedent to Effective Date*.

1. Conditions Precedent to the Effective Date.

It shall be a condition to the Effective Date of the Plan that the following conditions shall have been satisfied or waived pursuant to the provisions of Article IX.B of the Plan:

(a) the Bankruptcy Court shall have entered the Confirmation Order and the Confirmation Order shall have been recognized by an order of the Canadian Court in the Recognition Proceedings, and such orders shall not have been stayed, modified, or vacated on appeal;

(b) the Debtors shall have obtained all authorizations, consents, regulatory approvals, rulings, or documents that are necessary to implement and effectuate the Plan;

(c) the Professional Fee Escrow Account shall have been established and funded with the Professional Fee Escrow Amount;

(d) if applicable, the Exit Facility Documents shall have been executed and delivered by all of the Entities that are parties thereto, and all conditions precedent (other than any conditions related to the occurrence of the Effective Date) to the consummation of the Exit Facilities shall have been waived or satisfied in accordance with the terms thereof, and the closing of the Exit Facilities (and the payment in full of the DIP ABL Claims pursuant to the Payoff Letter) shall be deemed to occur concurrently with the occurrence of the Effective Date;

(e) if applicable, the New Organizational Documents shall have been executed and delivered by each Entity party thereto and shall be in full force and effect, and the issuance of the New Interests shall be deemed to occur concurrently with the occurrence of the Effective Date; and

(f) if applicable, all conditions precedent to the consummation of the Sale Transaction shall have been satisfied in accordance with the terms thereof, and the closing of the Sale Transaction shall be deemed to occur concurrently with the occurrence of the Effective Date.

2. Waiver of Conditions.

Subject to and without limiting the rights of each party to the RSA, the conditions to Consummation set forth in Article IX of the Plan may be waived by the Debtors with the reasonable consent of the Term Loan Agent, the Required Term Lenders, the DIP ABL Agent (solely with respect to the economic and non-economic treatment of the DIP ABL Agent and DIP ABL Lenders pursuant to such order), the UCC (solely with respect to the economic and non-economic treatment of General Unsecured Claims), and the Sponsor (solely with respect to the economic and non-economic treatment of the Last Out Loans or the Last Out DIP Loans, as applicable) without notice, leave, or order of the Bankruptcy Court or any formal action other than proceeding to confirm or consummate the Plan.

3. Substantial Consummation.

"Substantial Consummation" of the Plan, as defined in section 1102(2) of the Bankruptcy Code, with respect to any of the Debtors, shall be deemed to occur on the Effective Date.

4. Effect of Failure of Conditions.

If the Effective Date of the Plan does not occur, the Plan shall be null and void in all respects and nothing contained in the Plan or the Disclosure Statement shall: (1) constitute a waiver or release of any Claims by the Debtors, or claims by any Holders or any other Entity; (2) prejudice in any manner the rights of the Debtors, any Holders, or any other Entity; or (3) constitute an admission, acknowledgment, offer or undertaking by the Debtors, any Holders, or any other Entity in any respect.

ARTICLE VII.
STATUTORY REQUIREMENTS FOR CONFIRMATION OF THE PLAN

The following is a brief summary of the confirmation process. Holders of Claims and Interests are encouraged to review the relevant provisions of the Bankruptcy Code and to consult their own advisors with respect to the summary provided in the Disclosure Statement.

A. *Confirmation Hearing*.

Section 1128(a) of the Bankruptcy Code requires a bankruptcy court, after notice, to conduct a hearing to consider confirmation of a chapter 11 plan. Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to confirmation of the Plan. **The Bankruptcy Court has scheduled the Confirmation Hearing for September 4, 2019, at 11:00 a.m., prevailing Eastern Time.** The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for an announcement of the adjourned date made at the Confirmation Hearing or the filing of a notice of such adjournment served in accordance with the order approving the Disclosure Statement and Solicitation Procedures. Any objection to the Plan must: (1) be in writing; (2) conform to the Bankruptcy Rules and the Local Rules for the United States Bankruptcy Court for the Southern District of New York; (3) state the name, address, phone number, and e-mail address of the objecting party and the amount and nature of the Claim or Interest of such entity, if any; (4) state with particularity the basis and nature of any objection to the Plan and, if practicable, a proposed modification to the Plan that would resolve such objection; and (5) be filed, contemporaneously with a proof of service, with the Bankruptcy Court and served so that it is actually received by the notice parties as required by the Case Management Order no later than the Plan Objection Deadline. **Unless an objection to the Plan is timely served and filed, it may not be considered by the Bankruptcy Court**.

B. *Confirmation Standards*.

1. Requirements for Confirmation of the Plan.

Among the requirements for Confirmation of the Plan pursuant to section 1129 of the Bankruptcy Code are: (1) the Plan is accepted by all Impaired Classes of Claims or Interests, or if rejected by an Impaired Class, the Plan "does not discriminate unfairly" and is "fair and equitable" as to the rejecting Impaired Class; (2) the Plan is feasible; and (3) the Plan is in the "best interests" of Holders of Claims or Interests.

At the Confirmation Hearing, the Bankruptcy Court will determine whether the Plan satisfies all of the requirements of section 1129 of the Bankruptcy Code. The Debtors believe that: (1) the Plan satisfies, or will satisfy, all of the necessary statutory requirements of chapter 11 for plan confirmation; (2) the Debtors have complied, or will have complied, with all of the necessary requirements of chapter 11 for plan confirmation; and (3) the Plan has been proposed in good faith.

2. The Debtors' Releases, Third-Party Release, Exculpation, and Injunction Provisions.

Article VIII of the Plan provides for releases of certain claims and Causes of Action the Debtors may hold against the Released Parties (the "Debtor Release"). The Released Parties are each of the following in their capacity as such: (a) the Debtors; (b) the Reorganized Debtors; (c) the Prepetition Secured Lenders; (d) the Prepetition Agents; (e) the DIP Lenders; (f) the Put Purchasers; (g) the DIP Agents; (h) the Exit Facility Lenders; (i) the Exit Facility Agents; (j) the Winning Bidder; (k) the Sponsor; (l) the parties to the A&R RSA; (m) the UCC; and (n) with respect to each of the foregoing in clauses (a) through (m), such Entity and its current and former Affiliates, and such Entities' and their current Affiliates' directors, managers, officers, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, participants, successors, and assigns, subsidiaries, affiliates, managed accounts or funds, and each of their respective current and former equity holders, officers, directors, managers, principals, shareholders, members (other than members of the UCC), management companies, fund advisors, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals; *provided* that any of the foregoing that does not consent to the releases shall not be a "Released Party."

Article VIII of the Plan provides for releases of certain claims and Causes of Action that Holders of Claims or Interests may hold against the Released Parties in exchange for the good and valuable consideration and the valuable compromises made by the Released Parties (the "Third-Party Release"). The Holders of Claims and Interests who are releasing certain claims and Causes of Action against non-Debtors under the Third-Party Release include each of the following in their capacity as such: (a) the Debtors; (b) the Reorganized Debtors; (c) the Prepetition Secured Lenders; (d) the Prepetition Agents; (e) the DIP Lenders; (f) the Put Purchasers; (g) the DIP Agents; (h) the Exit Facility Lenders; (i) the Exit Facility Agents; (j) the Winning Bidder; (k) the Sponsor; (l) the parties to the A&R RSA; (m) the UCC; (n) with respect to each of the foregoing in clauses (a) through (m), such Entity and its current and former Affiliates, and such Entities' and their current and former Affiliates' current and former directors, managers, officers, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, successors, and assigns, subsidiaries, affiliates, managed accounts or funds, and each of their respective current and former equity holders, officers, directors, managers, principals, shareholders, members, management companies, fund advisors, employees, agents, advisory board members (other than members of the UCC), financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, each in their capacity as such and solely to the extent of such Entity's authority to bind any of the foregoing, including pursuant to agreement or applicable non-bankruptcy law; (o) all Holders of Claims that vote to accept the Plan; (p) all Holders of Claims that vote to reject the Plan but elect on their ballot to opt into the Third-Party Release; and (q) all Holders of Claims or Interests not described in the foregoing clauses (a) through (p) who elect to opt into the Third-Party Release.

Article VIII of the Plan provides for the exculpation of each Exculpated Party for certain acts or omissions taken in connection with these chapter 11 cases. The released and exculpated claims are limited in those claims or Causes of Action that may have arisen in connection with, related to, or arising out of the Plan, this Disclosure Statement, or these chapter 11 cases. The Exculpated Parties are in each case solely in its capacity as such: (a) the Debtors; (b) the Reorganized Debtors; (c) the UCC and each of its respective members; (d) the DIP Agents; (e) the DIP Lenders; (f) the Put Purchasers; (g) the ABL Agent; (h) the ABL Lenders; (i) the Term Loan Agent; (j) the Term Loan Lenders; (k) the Exit Facility Agents; (l) the Exit Facility Lenders; (m) the Sponsor; (n) the parties to the A&R RSA; and (o) with respect to each of the foregoing entities, such Entity and its current and former Affiliates, and such Entities' and their current Affiliates' directors, managers, officers, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, participants, successors, and assigns, subsidiaries, and each of their respective current and former equity holders, officers, directors, managers, principals, members, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, each in their capacity as such.

Article VIII of the Plan permanently enjoins Entities who have held, hold, or may hold Claims, Interests, or Liens that have been discharged or released pursuant to the Plan or are subject to exculpation pursuant to the Plan from asserting such Claims, Interests, or Liens against each Debtor, the Reorganized Debtors, and the Released Parties.

The Plan provides that all Holders of Claims or Interests who are entitled to vote on the Plan who vote to accept the Plan will be granting a release of any claims or rights they have or may have as against many individuals and Entities. In addition, certain other Holders of Claims or Interests identified in the definition of "Releasing Parties" can grant a release of any claims or rights they have or may have as against many individuals and Entities in a variety of other ways, including by:

- voting to reject the Plan but checking the "opt in" box on the Ballot;
- sending an e-mail to the Debtors' Solicitation Agent, Omni Management Group at hollanderballots@omnimgt.com, with "Hollander Opt In" in the subject line, including such Holder's name and address, and affirming the amount of such Holder's Claim and the Debtor against which such Claim is held;
- sending a letter to the Solicitation Agent, by first-class mail, at Hollander Sleep Products, LLC, c/o Omni Management Group, 5955 DeSoto Avenue, Suite #100, Woodland Hills, CA 91367 with "Hollander Opt In" in the subject line, including such Holder's name and address, and affirming the amount of such Holders' Claim and the Debtor against which such Claim is held; or
- sending a letter to the Solicitation Agent, by overnight or hand delivery at Hollander Sleep Products, LLC, c/o Omni Management Group, 5955 DeSoto Avenue, Suite #100, Woodland Hills, CA 91367 with "Hollander Opt In" in the subject line, including such Holder's name and address, and affirming the amount of such Holders' Claim and the Debtor against which such Claim is held.

The Third-Party Release includes any and all claims that such Holders may have against the Released Parties, which in any way relate to the Debtors, their operations either before or after these chapter 11 cases began, any securities of the Debtors, whether purchased or sold, including sales or purchases which have been rescinded, and any transaction that these Released Parties had with the Debtors.

Debtors are authorized to settle or release their claims in a chapter 11 plan. *See In re Adelphia Commc'ns Corp.*, 368 B.R. 140, 263 n.289, 269 (Bankr. S.D.N.Y. 2007) (debtor may release its own claims); *In re Oneida Ltd.*, 351 B.R. 79, 94 n.21 (Bankr. S.D.N.Y. 2006). Debtor releases are granted by courts in the Second Circuit where the debtors establish that such releases are in the "best interests of the estate." *See In re Charter Commc'ns*, 419 B.R. 221, 257 (Bankr. S.D.N.Y. 2009) ("When reviewing releases in a debtor's plan, courts consider whether such releases are in the best interest of the estate."). Courts often find that releases pursuant to a settlement are appropriate. *See, e.g.*, *In re Spiegel, Inc.*, 2005 WL 1278094, at *11 (approving releases pursuant to section 1123(b)(3) of the Bankruptcy Code and Bankruptcy Rule 9019(a)); *see also In re Bally Total Fitness Holding Corp.*, 2007 WL 2779438, at *12 (Bankr. S.D.N.Y. Sept. 17, 2007) ("To the extent that a release or other provision in the Plan constitutes a compromise of a controversy, this Confirmation Order shall constitute an order under Bankruptcy Rule 9019 approving such compromise."); *accord In re Adelphia Commc'ns Corp.*, 368 B.R. at 263 n.289 ("The Debtors have considerable leeway in issuing releases of any claims the Debtors themselves own.").

Additionally, in the Second Circuit, third party releases are permissible where "unique" circumstances render the release terms integral to the success of the plan. *In re Metromedia Fiber Network, Inc.*, 416 F.3d 136, 142–43 (2d Cir. 2005). The determination is not a matter of "factors and prongs" but courts have provided some guidance for allowing third party releases. *Id.* "Unusual circumstances" include (but are not limited to) instances in which: (a) the estate received a substantial consideration; (b) the enjoined claims were "channeled" to a settlement fund rather than extinguished; (c) the enjoined claims would indirectly impact the debtors' reorganization by way of indemnity or contribution; (d) the plan otherwise provided for the full payment of the enjoined claims; and (e) the affected creditors consent. *Id.* at 142. Courts typically allow releases of third party claims against non-debtors where there is the express consent of the party giving the release or where other circumstances in the case justify giving the release. *Id.*

Finally, exculpation provisions that extend to prepetition conduct and cover non-estate fiduciaries are regularly approved. *See, e.g.*, *Oneida*, 351 B.R. at 94, n.22 (considering an exculpation provision covering a number of prepetition actors with respect to certain prepetition actions, as well as postpetition activity). In approving these provisions, courts consider a number of factors, including whether the beneficiaries of the exculpation have participated in good faith in negotiating the plan and bringing it to fruition, and whether the provision is integral to the plan. *See In re Bearingpoint, Inc.*, 453 B.R. 486, 494 (Bankr. S.D.N.Y. 2011) ("Exculpation provisions are

included so frequently in chapter 11 plans because stakeholders all too often blame others for failures to get recoveries they desire; seek vengeance against other parties, or simply wish to second guess the decision makers."); *In re DBSD N. Am., Inc.*, 419 B.R. 179, 217 (Bankr. S.D.N.Y. 2009) (same), *aff'd*, *In re DBSD N. Am., Inc.*, No. 09-10156, 2010 WL 1223109 (S.D.N.Y. May 24, 2010), *aff'd in part*, *rev'd in part*, 627 F.3d 496 (2d Cir. 2010); *Bally Total Fitness*, 2007 WL 2779438, at *8 (finding exculpation, release, and injunction provisions appropriate because they were fair and equitable, necessary to successful reorganization, and integral to the plan); *In re WorldCom, Inc.*, No. 02-13533, 2003 WL 23861928, at *28 (Bankr. S.D.N.Y. Oct. 31, 2003) (approving an exculpation provision where it "was an essential element of the [p]lan formulation process and negotiations"); *In re Enron Corp.*, 326 B.R. 497, 503 (S.D.N.Y. 2005) (excising similar exculpation provisions would "tend to unravel the entire fabric of the Plan, and would be inequitable to all those who participated in good faith to bring it into fruition").

3. Best Interests of Creditors/Liquidation Analysis.

Often called the "best interests" test, section 1129(a)(7) of the Bankruptcy Code requires that a bankruptcy court find, as a condition to confirmation, that a chapter 11 plan provides, with respect to each impaired class, that each holder of a claim or an equity interest in such impaired class either (a) has accepted the plan or (b) will receive or retain under the plan property of a value that is not less than the amount that the non-accepting Holder would receive or retain if the debtors liquidated under chapter 7.

Attached hereto as **Exhibit E** and incorporated herein by reference is a liquidation analysis (the "Liquidation Analysis") prepared by the Debtors with the assistance of the Debtors' advisors. As reflected in the Liquidation Analysis, the Debtors believe that liquidation of the Debtors' businesses under chapter 7 of the Bankruptcy Code would result in substantial diminution in the value to be realized by Holders of Claims or Interests as compared to distributions contemplated under the Plan. Consequently, the Debtors and their management believe that Confirmation of the Plan will provide a substantially greater return to Holders of Claims or Interests than would a liquidation under chapter 7 of the Bankruptcy Code.[11]

4. Financial Feasibility.

Section 1129(a)(11) of the Bankruptcy Code requires that the Bankruptcy Court find that Confirmation is not likely to be followed by the liquidation of the Reorganized Debtors or the need for further financial reorganization, unless the Plan contemplates such liquidation or reorganization. For purposes of determining whether the Plan meets this requirement, the Debtors have analyzed their ability to meet their obligations under the Plan. As part of this analysis, the Debtors have prepared Financial Projections, which projections and the assumptions upon which they are based are attached hereto as **Exhibit D**. Based on these Financial Projections, the Debtors believe the deleveraging contemplated by the Plan meets the financial feasibility requirement. Moreover, the Debtors believe that sufficient funds will exist to make all payments required by the Plan. The Term Loan Lenders have committed under the A&R RSA to provide the Exit Term Loan Facility, and Sentinel has committed to "roll" its participation in the Last Out Loans into any proposed exit asset-based financing facility. Accordingly, the Debtors are confident that they will have sufficient means to provide for the distributions under the Plan and therefore believe that the Plan satisfies the feasibility requirement of section 1129(a)(11) of the Bankruptcy Code.

C. *Acceptance by Impaired Classes.*

The Bankruptcy Code requires, as a condition to confirmation, except as described in the following section, that each class of claims or equity interests impaired under a plan, accept the plan. A class that is not "impaired" under a plan is deemed to have accepted the plan and, therefore, solicitation of acceptances with respect to such a class is not required.

[11] In the case of Hollander Canada, the Debtor's assets may be liquidated pursuant to the provisions of Canada's federal Bankruptcy and Insolvency Act, RSC, 1985, c B-3.

Section 1126(c) of the Bankruptcy Code defines acceptance of a plan by a class of impaired claims as acceptance by holders of at least two-thirds in dollar amount and more than one-half in a number of allowed claims in that class, counting only those claims that have actually voted to accept or to reject the plan. Thus, a class of Claims will have voted to accept the Plan only if two-thirds in amount and a majority in number of the Allowed Claims in such class that vote on the Plan actually cast their ballots in favor of acceptance.

Section 1126(d) of the Bankruptcy Code defines acceptance of a plan by a class of impaired equity interests as acceptance by holders of at least two-thirds in amount of allowed interests in that class, counting only those interests that have actually voted to accept or to reject the plan. Thus, a Class of Interests will have voted to accept the Plan only if two-thirds in amount of the Allowed Interests in such class that vote on the Plan actually cast their ballots in favor of acceptance.

Article III.F of the Plan provides: "If a Class contains Claims or Interests eligible to vote and no Holders of Claims or Interests eligible to vote in such Class vote to accept or reject the Plan, the Holders of such Claims or Interests in such Class shall be deemed to have accepted the Plan." Such "deemed acceptance" by an impaired class in which no class members submit ballots satisfies section 1129(a)(10) of the Bankruptcy Code. *See Adelphia Commc'ns Corp.*, 368 B.R. at 259–63.

Courts have held that only one impaired accepting class at one debtor is required for a multi-debtor joint chapter 11 plan under sections 1129(a)(10) and 1129(b) of the Bankruptcy Code. *See In re Charter Commc'ns*, 419 B.R. 221, 266 (stating that "it is appropriate to test compliance with section 1129(a)(10) on a per-plan basis, not, as the CCI Noteholders argue, on a per-debtor basis"); *see also JPMCC 2007-C1 Grasslawn Lodging LLC v. Transwest Resort Props. Inc.*, 881 F.3d 724, 730 (9th Cir. 2018). The Debtors would expect parties to object to confirmation of the Plan if the Debtors proceeded to confirmation without a consenting class at each debtor.

D. *Confirmation without Acceptance by All Impaired Classes*.

Section 1129(b) of the Bankruptcy Code allows a bankruptcy court to confirm a plan even if all impaired classes have not accepted it; provided that the plan has been accepted by at least one impaired class. Pursuant to section 1129(b) of the Bankruptcy Code, notwithstanding an impaired class's rejection or deemed rejection of the plan, the plan will be confirmed, at the plan proponent's request, in a procedure commonly known as a "cramdown" so long as the plan does not "discriminate unfairly" and is "fair and equitable" with respect to each class of claims or equity interests that is impaired under, and has not accepted, the plan.

If any Impaired Class rejects the Plan, the Debtors reserve the right to seek to confirm the Plan utilizing the "cramdown" provision of section 1129(b) of the Bankruptcy Code. To the extent that any Impaired Class rejects the Plan or is deemed to have rejected the Plan, the Debtors may request Confirmation of the Plan, as it may be modified from time to time, under section 1129(b) of the Bankruptcy Code. The Debtors reserve the right to alter, amend, modify, revoke, or withdraw the Plan or any Plan Supplement document, including the right to amend or modify the Plan or any Plan Supplement document to satisfy the requirements of section 1129(b) of the Bankruptcy Code, subject to the rights set forth in the A&R RSA.

1. No Unfair Discrimination.

The "unfair discrimination" test applies to classes of claims or interests that are of equal priority and are receiving different treatment under a plan. The test does not require that the treatment be the same or equivalent, but that treatment be "fair." In general, bankruptcy courts consider whether a plan discriminates unfairly in its treatment of classes of claims or interests of equal rank (*e.g.*, classes of the same legal character). Bankruptcy courts will take into account a number of factors in determining whether a plan discriminates unfairly. A plan could treat two classes of unsecured creditors differently without unfairly discriminating against either class.

2. Fair and Equitable Test.

The fair and equitable test applies to classes of different priority and status (*e.g.*, secured versus unsecured) and includes the general requirement that no class of claims receive more than 100 percent of the amount of the

allowed claims in such class. As to each non-accepting class, the test sets different standards depending on the type of claims or interests in such class. As set forth below, the Debtors believe that the Plan satisfies the "fair and equitable" requirement, notwithstanding the fact that certain Classes are deemed to reject the Plan. There is no Class receiving more than a 100 percent recovery and no junior Class is receiving a distribution under the Plan until all senior Classes have received a 100 percent recovery.

(a) Secured Claims.

The condition that a plan be "fair and equitable" to a non-accepting class of secured claims may be satisfied, among other things, if a debtor demonstrates that: (i) the holders of such secured claims retain the liens securing such claims to the extent of the allowed amount of the claims, whether the property subject to the liens is retained by the debtor or transferred to another entity under the plan; and (ii) each holder of a secured claim in the class receives deferred cash payments totaling at least the allowed amount of such claim with a present value, as of the effective date of the plan, at least equivalent to the value of the secured claimant's interest in the debtor's property subject to the liens.

(b) Unsecured Claims.

The condition that a plan be "fair and equitable" to a non-accepting class of unsecured claims includes the requirement that either: (i) the plan provides that each holder of a claim of such class receive or retain on account of such claim property of a value, as of the effective date of the plan, equal to the allowed amount of such claim; or (ii) the holder of any claim or any interest that is junior to the claims of such class will not receive or retain under the plan on account of such junior claim or junior interest any property.

(c) Interests.

The condition that a plan be "fair and equitable" to a non-accepting class of interests includes the requirements that either: (i) the plan provides that each holder of an interest in that class receives or retains under the plan on account of that interest property of a value, as of the effective date of the plan, equal to the greater of: (1) the allowed amount of any fixed liquidation preference to which such holder is entitled; (2) any fixed redemption price to which such holder is entitled; (ii) the value of such interest; or (iii) if the class does not receive the amount as required under (i) no class of interests junior to the non-accepting class may receive a distribution under the plan.

3. Investment Analysis; Recovery.

The Plan and certain of the Term Loan Lenders' agreement to commit new capital to the Debtors' operations represent the culmination of arm's-length negotiations concerning, among other things, a capital investment in the Debtors to allow for equipment improvements and to restructure the Debtors' balance sheets. Pursuant to the Plan, certain of the Term Loan Lenders have agreed to provide up to $58 million in the aggregate through the DIP Term Loan Facility and Exit Facility, which will allow the Debtors to meet current estimated capital expenditure needs and allow production facility improvements.

The Debtors and Houlihan believe the new capital commitment and post-reorganization capital structure proposed pursuant to the Plan is currently the best measure of the Debtors' value in light of, among other things: (a) the Debtors' and their advisors' belief that a substantial capital commitment is necessary for the Debtors to reorganize and to fund necessary improvements; (b) the robust and comprehensive negotiations that culminated in the DIP Facilities, the Exit Facility, and the Plan through which certain of the Term Loan Lenders have agreed to provide access to the capital necessary to consummate the Plan and for the Debtors to reorganize; (c) the fact that the A&R RSA remains subject to the Debtors' fiduciary duties, and the Debtors retain their ability to accept any higher or otherwise better offers; (d) the fact that the Plan is subject to the plan confirmation and disclosure statement requirements in the Bankruptcy Code; and (e) the fact that the Debtors received no viable inbound inquiries from any other third party, which makes it unlikely that additional parties with serious interest in providing the Debtors with the access to the needed level of capital will emerge.

ARTICLE VIII.
CERTAIN RISK FACTORS TO BE CONSIDERED BEFORE VOTING

Holders of Claims and Interests entitled to vote should read and consider carefully the risk factors set forth below, as well as the other information set forth in this Disclosure Statement and the documents delivered together with this Disclosure Statement, referred to or incorporated by reference in this Disclosure Statement, before voting to accept or reject the Plan. These factors should not be regarded as constituting the only risks present in connection with the Debtors' business or the Plan and its implementation.

A. *Risks Related to the Confirmation and Consummation of the Plan*.

1. Conditions Precedent to the Exit Term Loan Commitment Letter May Not Be Met.

As more fully set forth in the Exit Term Loan Commitment Letter, the Exit Term Loan Commitment Letter, the Exit Term Loan Commitment Letter is subject to certain conditions precedent. In the event that these conditions precedent are not met, the Debtors may not be able to fund their emergence from chapter 11, which could result in liquidation.

2. The A&R RSA May Be Terminated.

As more fully set forth in Section 11 through Section 15 of the A&R RSA, the A&R RSA may be terminated upon the occurrence of certain events, including, among others, the Debtors' failure to meet specified milestones related to the filing, confirmation, and consummation of the Plan, and the breaches by any party to the A&R RSA of its respective obligations under the A&R RSA. In the event that the A&R RSA is terminated, the Debtors may seek a non-consensual restructuring alternative, including a potential liquidation of their assets.

3. Parties in Interest May Object to the Plan's Classification of Claims and Interests.

Section 1122 of the Bankruptcy Code provides that a plan may place a claim or an equity interest in a particular class only if such claim or equity interest is substantially similar to the other claims or equity interests in such class. The Debtors believe that the classification of the Claims and Interests under the Plan complies with the requirements set forth in the Bankruptcy Code because the Debtors created Classes of Claims and Interests each encompassing Claims or Interests, as applicable, that are substantially similar to the other Claims or Interests, as applicable, in each such Class. Nevertheless, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

4. The Conditions Precedent to the Effective Date of the Plan May Not Occur.

As more fully set forth in Article IX of the Plan, the Effective Date of the Plan is subject to a number of conditions precedent. If such conditions precedent are not met and not waived, the Effective Date will not take place.

5. The Debtors May Fail to Satisfy Vote Requirements.

If votes are received in number and amount sufficient to enable the Bankruptcy Court to confirm the Plan, the Debtors intend to seek, as promptly as practicable thereafter, Confirmation of the Plan. In the event that sufficient votes are not received, the Debtors may seek to confirm an alternative chapter 11 plan or transaction. There can be no assurance that the terms of any such alternative chapter 11 plan or other transaction would be similar or as favorable to the Holders of Interests and Allowed Claims as those proposed in the Plan and the Debtors do not believe that any such transaction exists or is likely to exist that would be more beneficial to the Estates than the Plan.

6. The Debtors May Not Be Able to Secure Confirmation of the Plan.

Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation of a chapter 11 plan, and requires, among other things, a finding by the Bankruptcy Court that: (a) such plan "does not unfairly discriminate" and is "fair and equitable" with respect to any non-accepting classes; (b) confirmation of such plan is not likely to be followed by a liquidation or a need for further financial reorganization unless such liquidation or reorganization is contemplated by the plan; and (c) the value of distributions to non-accepting holders of claims or equity interests within a particular class under such plan will not be less than the value of distributions such holders would receive if the debtors were liquidated under chapter 7 of the Bankruptcy Code.

There can be no assurance that the requisite acceptances to confirm the Plan will be received. Even if the requisite acceptances are received, there can be no assurance that the Bankruptcy Court will confirm the Plan or that the Canadian Court will recognize such confirmation in Canada. A non-accepting Holder of an Allowed Claim might challenge either the adequacy of this Disclosure Statement or whether the balloting procedures and voting results satisfy the requirements of the Bankruptcy Code or Bankruptcy Rules. Even if the Bankruptcy Court determines that this Disclosure Statement, the balloting procedures, and voting results are appropriate, the Bankruptcy Court could still decline to confirm the Plan if it finds that any of the statutory requirements for Confirmation are not met. If a chapter 11 plan of reorganization is not confirmed by the Bankruptcy Court, it is unclear whether the Debtors will be able to reorganize their business and what, if anything, Holders of Interests and Allowed Claims against them would ultimately receive.

The Debtors reserve the right to modify the terms and conditions of the Plan as necessary for Confirmation. Any such modifications could result in less favorable treatment of any non-accepting class of Claims or Interests, as well as any class junior to such non-accepting class, than the treatment currently provided in the Plan. Less favorable treatment could include a distribution of property with a lesser value than currently provided in the Plan or no distribution whatsoever under the Plan.

7. Nonconsensual Confirmation.

In the event that any impaired class of claims or interests does not accept a chapter 11 plan, a bankruptcy court may nevertheless confirm a plan at the proponents' request if at least one impaired class (as defined under section 1124 of the Bankruptcy Code) has accepted the plan (with such acceptance being determined without including the vote of any "insider" in such class), and, as to each impaired class that has not accepted the plan, the bankruptcy court determines that the plan "does not discriminate unfairly" and is "fair and equitable" with respect to the dissenting impaired class(es). The Debtors believe that the Plan satisfies these requirements, and the Debtors may request such nonconsensual Confirmation in accordance with subsection 1129(b) of the Bankruptcy Code. Nevertheless, there can be no assurance that the Bankruptcy Court will reach this conclusion. In addition, the pursuit of nonconsensual Confirmation or Consummation of the Plan may result in, among other things, increased expenses relating to professional compensation.

8. Continued Risk Upon Confirmation.

Even if the Plan is consummated, the Debtors will continue to face a number of risks, including certain risks that are beyond their control, such as industry deterioration or other changes in economic conditions, and increasing expenses. Some of these concerns and effects typically become more acute when a case under the Bankruptcy Code continues for a protracted period without indication of how or when the case may be completed. As a result of these risks and others, there is no guarantee that a chapter 11 plan of reorganization reflecting the Plan will achieve the Debtors' stated goals.

In addition, at the outset of these chapter 11 cases, the Bankruptcy Code provides the Debtors with the exclusive right to propose the Plan and prohibits creditors and others from proposing a plan. The Debtors obtained the exclusive right to propose the Plan upon filing their petitions. If the Bankruptcy Court terminates that right, however, or the exclusivity period expires, there could be a material adverse effect on the Debtors' ability to achieve confirmation of the Plan to achieve the Debtors' stated goals.

9. These Chapter 11 Cases May Be Converted to Cases under Chapter 7 of the Bankruptcy Code.

If the bankruptcy court finds that it would be in the best interest of creditors and/or the debtor in a chapter 11 case, the bankruptcy court may convert a chapter 11 bankruptcy case to a case under chapter 7 of the Bankruptcy Code. In such event, a chapter 7 trustee would be appointed or elected to liquidate the debtor's assets for distribution in accordance with the priorities established by the Bankruptcy Code. The Debtors believe that liquidation under chapter 7 would result in significantly smaller distributions being made to creditors than those provided for in a chapter 11 plan because of (a) the likelihood that the assets would have to be sold or otherwise disposed of in a disorderly fashion over a short period of time, when commodities prices are at historically low levels, rather than reorganizing or selling the business as a going concern at a later time in a controlled manner, (b) additional administrative expenses involved in the appointment of a chapter 7 trustee, and (c) additional expenses and Claims, some of which would be entitled to priority, that would be generated during the liquidation, including Claims resulting from the rejection of Unexpired Leases and other Executory Contracts in connection with cessation of operations. In the case of Hollander Canada, a liquidation of the Debtor's assets may proceed under the provisions of Canada's federal Bankruptcy and Insolvency Act, RSC, 1985, c B-3. A discussion of the effects that a chapter 7 liquidation would have on the recoveries of Holders of Claims and Interests and the Debtors' Liquidation Analysis is set forth in Article VII of this Disclosure Statement, "*Statutory Requirements for Confirmation of the Plan*," and the Liquidation Analysis attached hereto as **Exhibit E**.

10. The Debtors May Object to the Amount or Classification of a Claim.

Except as otherwise provided in the Plan, the Debtors reserve the right to object to the amount or classification of any Claim under the Plan. The estimates set forth in this Disclosure Statement cannot be relied upon by any Holder of a Claim where such Claim is subject to an objection. Any Holder of a Claim that is subject to an objection thus may not receive its expected share of the estimated distributions described in this Disclosure Statement.

11. Risk of Non-Occurrence of the Effective Date.

Although the Debtors believe that the Effective Date may occur quickly after the Confirmation Date, there can be no assurance as to such timing or as to whether the Effective Date will, in fact, occur.

12. Contingencies Could Affect Votes of Impaired Classes to Accept or Reject the Plan.

The distributions available to Holders of Allowed Claims under the Plan can be affected by a variety of contingencies, including, without limitation, whether the Bankruptcy Court orders certain Allowed Claims to be subordinated to other Allowed Claims. The occurrence of any and all such contingencies, which could affect distributions available to Holders of Allowed Claims under the Plan, will not affect the validity of the vote taken by the Impaired Classes to accept or reject the Plan or require any sort of revote by the Impaired Classes.

The estimated Claims and creditor recoveries set forth in this Disclosure Statement are based on various assumptions, and the actual Allowed amounts of Claims may significantly differ from the estimates. Should one or more of the underlying assumptions ultimately prove to be incorrect, the actual Allowed amounts of Claims may vary from the estimated Claims contained in this Disclosure Statement. Moreover, the Debtors cannot determine with any certainty at this time, the number or amount of Claims that will ultimately be Allowed. Such differences may materially and adversely affect, among other things, the percentage recoveries to Holders of Allowed Claims under the Plan.

13. The Plan's Release, Injunction, and Exculpation Provisions May Not Be Approved.

Article VIII of the Plan provides for certain releases, injunctions, and exculpations, including a release of liens and third-party releases that may otherwise be asserted against the Debtors, Reorganized Debtors, Released Parties, or Exculpated Parties, as applicable. The releases, injunctions, and exculpations provided in the Plan are subject to objection by parties in interest and may not be approved. If the releases are not approved, certain Released Parties may withdraw their support for the Plan.

14. The Total Amount of Allowed Unsecured Claims May Be Higher Than Anticipated By the Debtors.

With respect to Holders of Allowed General Unsecured Claims, the claims filed against the Debtors' estates may be materially higher than the Debtors have estimated.

15. The Total Amount of Allowed Administrative and Priority Claims May Be Higher and/or the Amount of Distributable Cash May Be Lower Than Anticipated by the Debtors.

The amount of Cash the Debtors' ultimately receive prior to and following the Effective Date may be lower than anticipated. Additionally Allowed Administrative Claims and Allowed Priority Claims maybe higher than anticipated. Accordingly, there is a risk that the Debtors will not be able to pay in full in cash all Administrative Claims and Priority Claims on the Effective Date as is required to confirm a chapter 11 plan of reorganization.

B. *Risks Related to Recoveries Under the Plan*.

1. The Debtors May Not Be Able to Achieve Their Projected Financial Results.

The Financial Projections represent the Debtors' management team's best estimate of the Debtors' future financial performance, which is necessarily based on certain assumptions regarding the anticipated future performance of the Debtors' operations, as well as the United States and world economies in general, and the particular industry segments in which the Debtors operate. The Financial Projections also depend on other factors such as the state of the market, the financial health of the Debtors' suppliers and wholesale customers, the Debtors' ability to retain and attract key personnel, and the continued business of major customers. While the Debtors believe that the Financial Projections are reasonable, there can be no assurance that they will be realized and are subject to known and unknown risks and uncertainties, many of which are beyond their control. If the Debtors do not achieve these projected financial results, (a) the Reorganized Debtors may lack sufficient liquidity to continue operating as planned after the Effective Date and (b) the Reorganized Debtors may be unable to service their debt obligations as they come due. Moreover, the financial condition and results of operations of the Reorganized Debtors from and after the Effective Date may not be comparable to the financial condition or results of operations reflected in the Debtors' historical financial statements.

2. The Restructuring of the Debtors May Increase the Tax Liability of the Reorganized Debtors or Adversely Affect Holders of Claims and Interests.

Holders of Allowed Claims should carefully review Article X of this Disclosure Statement, entitled "*Certain U.S. Federal Tax Consequences of the Plan*," to determine how the tax implications of the Plan and these chapter 11 cases may affect the Debtors.

The Debtors are subject to income taxes in the U.S. and several foreign jurisdictions. Judgment is required in determining the Debtors' provision for income taxes and other tax liabilities and the manner in which the Restructuring is consummated could impact the Debtors' liability for income taxes (including by adversely impacting certain tax attributes of the Debtors). In addition, the Debtors are subject to non-income taxes, such as payroll, sales, use, value-added, net worth, property and goods, and services taxes in the U.S. and several foreign jurisdictions. The Debtors' tax returns may be subject to audits by tax authorities and a final determination of tax audits or tax disputes could have an adverse effect on results of operations and financial condition of the Debtors.

For a detailed description of the effect Consummation of the Plan may have on the Debtors or how the tax implications of the Plan and these chapter 11 cases may adversely affect Holders of Claims and Interests, *see* Article X of this Disclosure Statement, titled "*Certain United States Federal Income Tax Consequences of the Plan*," and Article XI of this Disclosure Statement titled "*Certain Canadian Federal Income Tax Consequences of the Plan*."

C. *Risks Related to the Debtors' Business*.

1. The Debtors Will Be Subject to the Risks and Uncertainties Associated with These Chapter 11 Cases.

For the duration of these chapter 11 cases, the Debtors' operations and their ability to execute their business strategy will be subject to the risks and uncertainties associated with the bankruptcy proceedings. These risks include:

- the Debtors' ability to continue as a going concern;
- the Debtors' ability to develop, confirm, and consummate a chapter 11 plan, an alternative restructuring transaction, or a sale;
- the Debtors' ability to obtain court approval with respect to motions filed in these chapter 11 cases from time to time;
- the Debtors' ability to comply with and operate under the terms of any cash management orders entered by the Bankruptcy Court from time to time, which subject the Debtors to restrictions on transferring cash and other assets;
- the Debtors' ability to maintain adequate cash on hand and to generate cash from operations throughout these chapter 11 cases;
- the Debtors' ability to fund their emergence and to fund their operations after emergence from the bankruptcy process on reasonable terms;
- the Debtors' ability to comply with the covenants and conditions of the DIP Facilities;
- the Debtors' ability to maintain contracts that are critical to their operations;
- the Debtors' ability to procure sufficient shipments of materials from vendors to operate in the ordinary course;
- the Debtors' ability to execute their business plan;
- the ability of third parties to seek and obtain court approval to terminate contracts and other agreements with the Debtors;
- the ability of third parties to seek and obtain court approval to terminate or shorten the exclusivity period for the Debtors to propose and confirm a chapter 11 plan, to appoint a chapter 11 trustee, or to convert these chapter 11 cases to a chapter 7 proceeding (or, in the case of Hollander Canada, to either a chapter 7 proceeding or a proceeding under the provisions of Canada's federal Bankruptcy and Insolvency Act, RSC, 1985, c B-3); and
- the actions and decisions of the Debtors' creditors and other third parties who have interests in these chapter 11 cases that may be inconsistent with the Debtors' plans.

Because of the risks and uncertainties associated with these chapter 11 cases, the Debtors cannot predict or quantify the ultimate impact that events occurring during the chapter 11 reorganization process may have on the Debtors' business, financial condition and results of operations, and there is no guarantee as to their ability to continue as a going concern.

Difficulties of providing services while attempting to reorganize the Debtors' businesses in bankruptcy may make it more difficult to maintain and promote their services and attract customers to their services and to keep their suppliers. As a result of these chapter 11 cases, the Debtors may experience collection issues with otherwise valid receivables of certain customers. Adverse resolution of these disagreements may impact the Debtors' revenues and other costs of services, both prospectively and retroactively. It is too soon for the Debtors to predict with any certainty the ultimate impact of these potential disagreements. The Debtors suppliers, vendors, and services providers may require stricter terms and conditions, and the Debtors may not find these terms and conditions acceptable. In addition, the Debtors may experience a loss of confidence by current and prospective suppliers, customers, landlords, employees, or other stakeholders, which could make it more difficult for the Debtors to operate and have an adverse effect on the Debtors' businesses, financial condition, and results of operations. Any failure to timely obtain suitable supplies at competitive prices could materially adversely affect the Debtors' businesses, financial condition, and results of operations.

2. Operating in Bankruptcy for a Long Period of Time May Harm the Debtors' Businesses.

A long period of operations under Bankruptcy Court protection could have a material adverse effect on the Debtors' businesses, financial condition, results of operations, and liquidity. So long as the proceedings related to these chapter 11 cases continue, senior management will be required to spend a significant amount of time and effort dealing with the reorganization instead of focusing exclusively on business operations. A prolonged period of operating under Bankruptcy Court protection also may make it more difficult to retain management and other key personnel necessary to the success of the Debtors' businesses. In addition, the longer the proceedings related to these chapter 11 cases continue, the more likely it is that customers and suppliers will lose confidence in the Debtors' ability to reorganize their businesses successfully and will seek to establish alternative commercial relationships.

So long as the proceedings related to these chapter 11 cases continue, the Debtors will be required to incur substantial costs for professional fees and other expenses associated with the administration of these chapter 11 cases. These chapter 11 cases also require debtor-in-possession financing to fund the Debtors' operations. If the Debtors are unable to fully draw on the availability under the DIP Facilities, the chances of successfully reorganizing the Debtors' businesses may be seriously jeopardized, the likelihood that the Debtors will instead be required to liquidate or sell their assets may be increased, and, as a result, creditor recoveries may be significantly impaired.

3. The Loss of Key Personnel Could Adversely Affect the Debtors' Operations.

The Debtors' operations are dependent on a relatively small group of key management personnel and a skilled employee base. The Debtors' recent liquidity issues and these chapter 11 cases have created distractions and uncertainty for key management personnel and employees. As a result, the Debtors have experienced and may continue to experience increased levels of employee attrition. The Debtors may be unable to find acceptable replacements with comparable skills and experience and the loss of such key management personnel could adversely affect the Debtors' ability to operate their businesses. In addition, a loss of key personnel or material erosion of employee morale could have a material adverse effect on the Debtors' ability to meet customer and counterparty expectations, thereby adversely affecting the Debtors' businesses and the results of operations.

4. Certain Claims May Not Be Discharged and Could Have a Material Adverse Effect on the Debtors' Financial Condition and Results of Operations.

The Bankruptcy Code provides that the confirmation of a plan of reorganization discharges a debtor from substantially all debts arising prior to confirmation. With few exceptions, all Claims that arise prior to the Debtors' filing of their petitions or before confirmation of the plan of reorganization (a) would be subject to compromise and/or treatment under the plan of reorganization and/or (b) would be discharged in accordance with the terms of the plan of reorganization. Any Claims not ultimately discharged through a plan of reorganization could be asserted against the reorganized entity and may have an adverse effect on the Reorganized Debtors' financial condition.

5. Adverse Publicity in Connection with These Chapter 11 Cases or Otherwise Could Negatively Affect the Debtors' Businesses.

Adverse publicity or news coverage relating to us, including, but not limited to, publicity or news coverage in connection with these chapter 11 cases, may negatively impact the Debtors' efforts to establish and promote name recognition and a positive image after emergence from these chapter 11 cases.

6. The Success of the Debtors' Business Depends on Their Ability to Revitalize Their Brand, to Retain the Heritage of and Evolve Their Brands, and to Develop Product Offerings That Resonate with Their Existing Customers and Attract New Customers.

The Debtors' success depends, in large part, on their ability to consistently anticipate, gauge, and respond to customers' demands and tastes and trends in the design, pricing, style, and production of their products. Any failure on their part to anticipate, identify, and respond effectively to those demands, tastes, and trends could

adversely affect acceptance of their products. If that occurs, the Debtors may need to employ increased levels of markdowns or promotional sales to dispose of excess or slow-moving inventory, or they may miss opportunities to increase sales, either of which would harm their business and profitability. The Debtors' success depends on their ability to effectively define, protect, evolve, and promote their brands to expand their customer base while continuing to appeal to their existing customers. Merchandise missteps could negatively impact the image of their brands with their customers and result in diminished loyalty to their brands, which would adversely impact their business.

7. The Loss of or a Significant Reduction of Business with Any of the Debtors' Largest Customers Could Have a Material Adverse Effect on the Debtors' Business.

The Debtors rely on certain significant customers, which customers drive a significant percentage of the Debtors' revenues and EBITDA. The loss of any of their larger customers, or the bankruptcy or material financial difficulty of any large customer, would have a material adverse effect on the Debtors. The Debtors do not have long-term contracts with any of their customers, and sales to customers generally occur on an order-by-order basis. As a result, customers can terminate their relationships with the Debtors at any time or under certain circumstances cancel or delay orders.

8. Independent Manufacturers Could Cause Delay and Damage the Debtors' Reputation and Customer Relationships.

The Debtors rely upon independent third parties for the manufacture of certain of their products. A manufacturer's failure to ship products to the Debtors in a timely manner or to meet the required quality standards could cause them to miss the delivery date requirements of their customers for those items. The failure to make timely deliveries may drive customers to cancel orders, refuse to accept deliveries, demand reduced prices, or return products, any of which could have a material adverse effect on the Debtors. This could damage their reputation. The Debtors do not have long-term written agreements with any of their third party manufacturers. As a result, any of these manufacturers may unilaterally terminate their relationships with the Debtors at any time. There are a limited number of manufacturers available to manufacture the Debtors' products and they may not be able to find alternative manufacturers on commercially reasonable terms or at all.

9. The Extent of the Debtors' Foreign Sourcing and Contract Manufacturing May Adversely Affect Their Business.

Nearly all of the Debtors' products are manufactured outside of North America or comprised of components sourced from outside of North America. The following may adversely affect their foreign sources and contract manufacturers:

- political instability in countries where suppliers and contractors are located;
- imposition of regulations and quotas relating to imports;
- imposition of duties, taxes, and other charges on imports;
- significant fluctuation of the value of the U.S. dollar, euro, and pound against other foreign currencies;
- labor shortages in countries where suppliers and contractors are located; and
- restrictions on the transfer of funds to or from foreign countries.

As a result of their foreign sourcing and contract manufacturing, the Debtors are subject to the following risks:

- increases in manufacturing costs in the event of a decline in the value of the U.S. dollar or euro against major world currencies, particularly the Chinese yuan, and higher labor and commodity costs being experienced by their foreign manufacturers in China;

- potential shipping constraints from labor actions at U.S. ports; and
- violations by foreign contractors of labor and wage standards and any resulting adverse publicity.

10. Fluctuations in the Price, Availability, and Quality of Raw Materials Could Cause Delays and Increase Costs.

Fluctuations in the price, availability, and quality of the raw materials used by the Debtors in their manufactured goods could have a material adverse effect on their cost of sales or their ability to meet their customers' demands. The prices for such materials depend largely on the market prices for the raw materials used to produce them. The price and availability of such raw materials may fluctuate significantly, depending on many factors, including crop yields and weather patterns. In the future, the Debtors may not be able to pass all or a portion of such higher raw materials prices on to their customers.

11. The Loss or Infringement of the Debtors' Trademarks and Other Proprietary Rights Could Have a Material Adverse Effect on the Debtors.

The Debtors believe that their trademarks and other proprietary rights are important to their success and competitive position. Accordingly, the Debtors devote substantial resources to the establishment and protection of their trademarks on a worldwide basis. There can be no assurances that such actions taken to establish and protect their trademarks and other proprietary rights will be adequate to prevent imitation of their products by others or to prevent others from seeking to block sales of their products as violative of their trademarks and proprietary rights. Moreover, there can be no assurances that others will not assert rights in, or ownership of, their trademarks and other proprietary rights or that the Debtors will be able to successfully resolve such conflicts. In addition, the laws of certain foreign countries may not protect proprietary rights to the same extent as do the laws of the United States. The loss of such trademarks and other proprietary rights, or the loss of the exclusive use of such trademarks and other proprietary rights, could have a material adverse effect on us. Any litigation regarding their trademarks could be time-consuming and costly.

12. The Debtors Have Entered into License Agreements to Use the Trademarks of Others. Loss of a License Could Have an Adverse Effect on Them.

The Debtors' business strategy is based on offering their products in a variety of brands, channels, and price points. This strategy is designed to provide stability should market trends shift. In entering into license agreements, the Debtors target their products towards certain market segments based on consumer demographics, design, suggested pricing, and channel of distribution to minimize competition with their own brands and maximize profitability. To this end, the Debtors have entered into licensing agreements with independent third parties to license certain brands the Debtors do not own. If any of the Debtors licensors determine to introduce similar products under similar brand names or otherwise change the parameters of design, pricing, distribution, or target market, they could experience a significant downturn in that brand's business, adversely affecting their sales and profitability. In addition, as products may be personally associated with these designers and celebrities, the Debtors sales of those products could be materially and adversely affected if any of those individuals' images, reputations, or popularity were to be negatively impacted. If any of the Debtors' licensing agreements are not renewed, including as a result of these chapter 11 cases, this may result in material adverse effect on their business.

13. A Security or Privacy Breach Could Adversely Affect the Debtors.

The Debtors are dependent on information technology networks and systems, including the Internet, to process, transmit, and store electronic information. In the normal course of the Debtors' business, they collect, process, and retain sensitive and confidential information pertaining to their customers, their employees, and other third parties. The Debtors, and their third-party service providers, have systems and processes in place that are designed to protect information and protect against security and data breaches. Despite these safeguards, their systems and processes may be vulnerable to security breaches, acts of vandalism, computer viruses, lost data, inadvertent data disclosure, or other similar events. Any failure to protect the confidential data of the Debtors' customers, employees, or third parties could damage their reputation and customer relationships, expose them to the costs and risks of litigation and possible liability, disrupt their operations, and adversely impact their business.

14. Extreme or Unseasonable Weather Conditions Could Adversely Affect the Debtors' Business.

Extreme weather events and changes in weather patterns can influence customer trends and shopping habits. Extended periods of unseasonably warm temperatures during the winter season or cool weather during the summer season may diminish demand for their merchandise, such as down comforters. If severe weather events were to force closure of or disrupt operations at the distribution centers the Debtors use for their merchandise, they could incur higher costs and experience longer lead times to distribute their products to their wholesale customers. If prolonged, such extreme or unseasonable weather conditions could adversely affect their business, financial condition, and results of operations.

15. The Debtors' Failure to Comply with Trade and Other Regulations Could Lead to Investigations or Actions by Government Regulators and Negative Publicity.

The labeling, distribution, importation, marketing, and sale of their products are subject to extensive regulation by various federal agencies, including the Federal Trade Commission, Consumer Product Safety Commission, and state attorneys general in the United States, as well as by various other federal, state, provincial, local, and international regulatory authorities in the countries in which their products are distributed, licensed, or sold. If the Debtors fail to comply with any of these regulations, they could become subject to enforcement actions or the imposition of significant penalties or claims, which could harm their results of operations or their ability to conduct their business. In addition, the adoption of new regulations or changes in the interpretation of existing regulations may result in significant compliance costs or discontinuation of product sales and could impair the marketing of their products, resulting in significant loss of net sales.

The Debtors' international operations are also subject to compliance with the U.S. Foreign Corrupt Practices Act ("FCPA") and other anti-bribery laws applicable to their operations. In many foreign countries, particularly in those with developing economies, it may be a local custom that businesses operating in such countries engage in business practices that are prohibited by the FCPA or other U.S. and foreign laws and regulations applicable to us. Although the Debtors have implemented procedures designed to ensure compliance with the FCPA and similar laws, there can be no assurance that all of their employees, agents, and other channel partners, as well as those companies to which they outsource certain of their business operations, will not take actions in violation of their policies. Any such violation could have a material and adverse effect on the Debtors' business.

D. *Risks Related to the New Interests.*

1. An Active Trading Market May Not Develop for the New Interests.

The New Interests are a new issue of securities and, accordingly, there is currently no established public trading market for the New Interests. It is not currently contemplated to apply to list the New Interests on any national securities exchange and, as such, there can be no assurance that an active trading market for the New Interests will develop. If there is no active trading market in the New Interests, the market price and liquidity of the New Interests may be adversely affected. If a trading market does not develop or is not maintained, Holders of New Interests may experience difficulty in reselling such securities at an acceptable price or may be unable to sell them at all. Even if a trading market were to exist, such market could have limited liquidity and the New Interests could trade at prices higher or lower than the value attributed to such securities in connection with their distribution under the Plan, depending upon many factors, including, without limitation, markets for similar securities, industry conditions, financial performance, or prospects and investor expectations thereof. As a result, there may be limited liquidity in any trading market that does develop for the New Interests. In addition, the New Organizational Documents may also contain restrictions on the transferability of the New Interests (such as rights of first refusal/offer, tag-along rights, and/or drag-along rights, among others), which may adversely affect the liquidity in the trading market for the New Interests.

2. A Small Number of Holders or Voting Blocks May Control the Reorganized Debtors.

Consummation of the Plan may result in a small number of Holders owning a significant percentage of outstanding New Interests in the Reorganized Debtors. These Holders may, among other things, exercise a

controlling influence over the business and affairs of the Reorganized Debtors and have the power to elect directors or managers and approve significant mergers and other material corporate transactions.

3. The Issuance of New Interests under the Management Incentive Plan will Dilute the New Interests.

On the Effective Date, a percentage of the New Interests will be reserved for issuance as grants of options in connection with the Management Incentive Plan. If the Reorganized Debtors distribute such equity-based awards to management pursuant to the Management Incentive Plan, it is contemplated that such distributions will dilute the New Interests issued on account of Claims or Interests under the Plan and the ownership percentage represented by the New Interests distributed under the Plan.

4. The New Interests are Equity Interests and Therefore Subordinated to the Indebtedness of the Reorganized Debtors.

In any liquidation, dissolution, or winding up of the Reorganized Debtors, the New Interests would rank below all debt claims against the Reorganized Debtors. As a result, Holders of New Interests will not be entitled to receive any payment or other distribution of assets upon the liquidation, dissolution, or winding up of the Reorganized Debtors until after all of its obligations to its debt Holders have been satisfied.

5. Certain Holders of New Interests May Be Restricted in Their Ability to Transfer or Sell Their Securities.

To the extent that the New Interests issued under the Plan are covered by section 1145(a)(1) of the Bankruptcy Code, they may be resold by the Holders thereof without registration unless the Holder is an "underwriter" with respect to such securities. Resales by Persons who receive New Interests pursuant to the Plan that are deemed to be "underwriters" as defined in section 1145(b) of the Bankruptcy Code would not be exempted by section 1145 of the Bankruptcy Code from registration under the Securities Act of 1933 or other applicable law. Such Persons would only be permitted to sell such securities without registration if they are able to comply with the provisions of Rule 144 under the Securities Act or another applicable exemption.

Shares of New Interests distributed under the Plan to the Exit Term Loan Lenders will be issued in reliance on section 4(a)(2) of the Securities Act to exempt from the registration requirements of the Securities Act and similar blue sky law provisions the offer, issuance, and distribution of the New Interests to the Exit Term Loan Lenders. The New Interests issued to the Exit Term Loan Lenders will be "restricted securities" subject to resale restrictions and may be resold, exchanged, assigned, or otherwise transferred only pursuant to a registration statement or an applicable exemption from registration under the Securities Act, such as the exemptions provided by Rule 144, Rule 144A, and Reg S under the Securities Act, and other applicable law. *See* Article IX.

E. *Disclosure Statement Disclaimer*.

1. Information Contained in this Disclosure Statement is for Soliciting Votes.

The information contained in this Disclosure Statement is for the purposes of soliciting acceptances of the Plan and may not be relied upon for any other purpose.

2. This Disclosure Statement Was Not Approved by the United States Securities and Exchange Commission.

This Disclosure Statement was not filed with the United States Securities and Exchange Commission under the Securities Act or applicable state securities laws. Neither the United States Securities and Exchange Commission nor any state regulatory authority has passed upon the accuracy or adequacy of this Disclosure Statement, or the exhibits or the statements contained in this Disclosure Statement.

3. No Legal or Tax Advice Is Provided to You by this Disclosure Statement.

This Disclosure Statement is not legal advice to you. The contents of this Disclosure Statement should not be construed as legal, business, or tax advice. Each Holder of a Claim or an Interest should consult his or her own legal counsel, accountant, or other applicable advisor with regard to any legal, tax, and other matters concerning his or her Claim or Interest. This Disclosure Statement may not be relied upon for any purpose other than to determine how to vote on the Plan or object to Confirmation of the Plan.

4. No Admissions Made.

The information and statements contained in this Disclosure Statement will neither (a) constitute an admission of any fact or liability by any entity (including, without limitation, the Debtors) nor (b) be deemed evidence of the tax or other legal effects of the Plan on the Debtors, the Reorganized Debtors, Holders of Allowed Claims or Allowed Interests, or any other parties in interest.

5. Failure to Identify Litigation Claims or Projected Objections.

No reliance should be placed on the fact that a particular litigation claim or projected objection to a particular Claim or Interest is, or is not, identified in this Disclosure Statement. The Debtors may seek to investigate, File, and prosecute Claims and Interests and may object to Claims or Interests after the Confirmation or Effective Date of the Plan irrespective of whether this Disclosure Statement identifies such Claims or Interests or objections to such Claims or Interests.

6. No Waiver of Right to Object or Right to Recover Transfers and Assets.

The vote by a Holder of a Claim or Interest for or against the Plan does not constitute a waiver or release of any claims, causes of action, or rights of the Debtors (or any entity, as the case may be) to object to that Holder's Claim or Interest, or recover any preferential, fraudulent, or other voidable transfer of assets, regardless of whether any claims or causes of action of the Debtors or their respective Estates or the Reorganized Debtors are specifically or generally identified in this Disclosure Statement.

7. Information Was Provided by the Debtors and Was Relied Upon by the Debtors' Advisors.

The Debtors' advisors have relied upon information provided by the Debtors in connection with the preparation of this Disclosure Statement. Although the Debtors' advisors have performed certain limited due diligence in connection with the preparation of this Disclosure Statement, they have not verified independently the information contained in this Disclosure Statement.

8. Potential Exists for Inaccuracies, and the Debtors Have No Duty to Update.

The statements contained in this Disclosure Statement are made by the Debtors as of the date of this Disclosure Statement, unless otherwise specified in this Disclosure Statement, and the delivery of this Disclosure Statement after the date of this Disclosure Statement does not imply that there has not been a change in the information set forth in this Disclosure Statement since that date. While the Debtors have used their reasonable business judgment to ensure the accuracy of all of the information provided in this Disclosure Statement and in the Plan, the Debtors nonetheless cannot, and do not, confirm the current accuracy of all statements appearing in this Disclosure Statement. Further, although the Debtors may subsequently update the information in this Disclosure Statement, the Debtors have no affirmative duty to do so unless ordered to do so by the Bankruptcy Court.

9. No Representations Outside this Disclosure Statement Are Authorized.

No representations concerning or relating to the Debtors, these chapter 11 cases, or the Plan are authorized by the Bankruptcy Court or the Bankruptcy Code, other than as set forth in this Disclosure Statement. Any representations or inducements made to secure your acceptance or rejection of the Plan that are other than as contained in, or included with, this Disclosure Statement, should not be relied upon by you in arriving at your

decision. You should promptly report unauthorized representations or inducements to the counsel to the Debtors and the U.S. Trustee.

ARTICLE IX.
SECURITIES LAW MATTERS

A. *Class 4 and DIP Claims*.

If the Term Loan Lenders are the Winning Bidder, shares of New Interests will be distributed under the Plan to Holders of Claims in Class 4, Holders of DIP Term Loan Claims, and the Exit Term Loan Lenders. The Reorganized Debtors will rely on section 1145 of the Bankruptcy Code to exempt from the registration requirements of the Securities Act the offer, issuance, and distribution of the New Interests to the Holders of Claims in Class 4 and Holders of DIP Term Loan Claims. Section 1145(a)(1) of the Bankruptcy Code exempts the offer and sale of securities under a plan of reorganization from registration under Section 5 of the Securities Act and state laws when such securities are to be exchanged for claims or principally in exchange for claims and partly for cash. In general, securities issued under section 1145 may be resold without registration unless the recipient is an "underwriter" with respect to those securities. Section 1145(b)(1) of the Bankruptcy Code defines an "underwriter" as any person who:

- purchases a claim against, an interest in, or a claim for an administrative expense against the debtor, if that purchase is with a view to distributing any security received in exchange for such a claim or interest;
- offers to sell securities offered under a plan of reorganization for the holders of those securities;
- offers to buy those securities from the holders of the securities, if the offer to buy is (A) with a view to distributing those securities, and (B) under an agreement made in connection with the plan of reorganization, the completion of the plan of reorganization, or with the offer or sale of securities under the plan of reorganization; or
- is an issuer with respect to the securities, as the term "issuer" is defined in Section 2(a)(11) of the Securities Act.

To the extent that Entities who receive the New Interests are deemed to be "underwriters," resales by those Entities would not be exempted from registration under the Securities Act or other applicable law by section 1145 of the Bankruptcy Code. Those Entities would, however, be permitted to sell New Interests or other securities without registration if they are able to comply with the provisions of Rule 144 under the Securities Act, as described further below.

You should confer with your own legal advisors to help determine whether or not you are an "underwriter."

Under certain circumstances, Holders of New Interests deemed to be "underwriters" may be entitled to resell their securities pursuant to the limited safe harbor resale provisions of Rule 144 of the Securities Act, to the extent available, and in compliance with applicable state securities laws. Generally, Rule 144 of the Securities Act provides that persons who are affiliates of an issuer who resell securities will not be deemed to be underwriters if certain conditions are met. These conditions include the requirement that current public information with respect to the issuer be available, a limitation as to the amount of securities that may be sold, the requirement that the securities be sold in a "brokers transaction" or in a transaction directly with a "market maker," and that notice of the resale be filed with the Securities Exchange Commission.

B. *New Interests Issued to Exit Term Loan Lenders*.

If the Term Loan Lenders are the Winning Bidder, shares of New Interests will be distributed under the Plan to the Exit Term Loan Lenders. The Reorganized Debtors will rely on Section 4(a)(2) of the Securities Act to exempt from the registration requirements of the Securities Act and similar blue sky law provisions the offer,

issuance, and distribution of the New Interests to the Exit Term Loan Lenders. The New Interests issued to the Exit Term Loan Lenders will be "restricted securities" subject to resale restrictions and may be resold, exchanged, assigned, or otherwise transferred only pursuant to a registration statement or an applicable exemption from registration under the Securities Act, such as the exemptions provides by Rule 144, Rule 144A, and Reg S under the Securities Act, and other under applicable law.

ARTICLE X.
CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

A. *Introduction*.

The following discussion is a summary of certain U.S. federal income tax consequences of the consummation of the Plan to the Debtors, the Reorganized Debtors, and to certain Holders (which solely for purposes of this discussion means the beneficial owners for U.S. federal income tax purposes) of certain Claims. The following summary does not address the U.S. federal income tax consequences to Holders of Claims or Interests not entitled to vote to accept or reject the Plan. This summary is based on the U.S. Internal Revenue Code of 1986, as amended (the "IRC"), the Treasury Regulations promulgated thereunder, judicial authorities, published administrative positions of the U.S. Internal Revenue Service (the "IRS"), and other applicable authorities, all as in effect on the date of this Disclosure Statement and all of which are subject to change or differing interpretations, possibly with retroactive effect. Due to the lack of definitive judicial and administrative authority in a number of areas, substantial uncertainty may exist with respect to some of the tax consequences described below. No opinion of counsel has been obtained, and the Debtors do not intend to seek a ruling from the IRS as to any of the tax consequences of the Plan discussed below. The discussion below is not binding upon the IRS or the courts. No assurance can be given that the IRS would not assert, or that a court would not sustain, a different position than any position discussed herein.

This discussion does not purport to address all aspects of U.S. federal income taxation that may be relevant to the Debtors or to Holders of Claims or Interests in light of their individual circumstances, nor does it address tax issues with respect to such Holders that are subject to special treatment under the U.S. federal income tax laws (including, for example, banks, governmental authorities or agencies, partnerships or other pass-through entities, subchapter S corporations, trusts, dealers and traders in securities, insurance companies, financial institutions, tax-exempt organizations, small business investment companies, Persons who are related to the Debtors within the meaning of the IRC, Persons using a mark-to-market method of accounting, Holders of Claims or Interests who are themselves in bankruptcy, real estate investment trusts, expatriates or former long-term residents of the United States, and regulated investment companies and those holding, or who will hold, Claims or the New Interests as part of a hedge, straddle, conversion, or other integrated transaction). This discussion does not address any U.S. federal non-income (including estate or gift), state, local, or non-U.S. tax considerations, the Medicare tax imposed on certain net investment income or considerations under any applicable tax treaty. Furthermore, this discussion assumes that a Holder of a Claim holds only Claims in a single Class and holds Claims as "capital assets" within the meaning of section 1221 of the IRC (generally, property held for investment). Moreover, this discussion does not address special considerations that may apply to persons who are both Holders of Claims and Holders of Interests. This summary also assumes that the various debt instruments and other arrangements to which the Debtors are a party will be respected for U.S. federal income tax purposes in accordance with their form. Moreover, except to the extent specifically addressed herein, this discussion assumes that the "installment sale method" of reporting any gain that may be recognized by Holders in respect of the transactions described herein does not apply and this discussion does not address the U.S. federal income tax consequences attributable to the installment sale method or open transaction reporting except to the extent specifically addressed herein.

For purposes of this discussion, a "U.S. Holder" is a Holder that is: (1) an individual citizen or resident of the United States for U.S. federal income tax purposes; (2) a corporation (or other entity validly treated as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States, any state thereof or the District of Columbia; (3) an estate the income of which is subject to U.S. federal income taxation regardless of the source of such income; or (4) a trust (A) if a court within the United States is able to exercise primary jurisdiction over the trust's administration and one or more United States persons (within the meaning of section 7701(a)(30) of the IRC) has authority to control all substantial decisions of the trust or (B) that has a valid election in effect under applicable Treasury Regulations to be treated as a United States person (within the meaning

of section 7701(a)(30) of the IRC). For purposes of this discussion, a "Non-U.S. Holder" is any Holder that is not a U.S. Holder or a partnership (or other entity treated as a partnership or other pass-through entity for U.S. federal income tax purposes).

If a partnership (or other entity treated as a partnership or other pass-through entity for U.S. federal income tax purposes) is a Holder, the tax treatment of a partner (or other owner) generally will depend upon the status of the partner (or other owner) and the activities of the partner (or other owner) and the partnership (or other entity treated as a partnership or other pass-through entity for U.S. federal income tax purposes). Partners of any partnership (or other entity treated as a partnership or other pass-through entity for U.S. federal income tax purposes) that is a Holder should consult their respective tax advisors regarding the U.S. federal income tax consequences of the Plan.

The following discussion assumes that the Debtors will undertake the Restructuring Transactions currently contemplated by the Plan in accordance with the Plan and as further described herein and in the Plan. Holders of Claims are urged to consult their tax advisors regarding the tax consequences of the Restructuring Transactions.

THE FOLLOWING SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES PERTAINING TO A HOLDER OF A CLAIM OR INTEREST. ALL HOLDERS OF CLAIMS OR INTERESTS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS FOR THE U.S. FEDERAL, STATE, LOCAL, AND NON-U.S. TAX CONSEQUENCES OF THE PLAN.

B. *Certain U.S. Federal Income Tax Consequences of the Plan to the Debtors.*

1. Characterization of the Debtors.

Dream II Holdings, LLC ("Dream II") is treated as a partnership for U.S. federal income tax purposes. Dream II's wholly-owned subsidiary, Hollander Sleep Products, LLC and a number of the direct and indirect subsidiaries of Hollander Sleep Products, LLC are treated as entities disregarded as separate from Dream II for U.S. federal income tax purposes. Accordingly, the U.S. federal income tax consequences of the Restructuring Transactions will generally be borne by the equity holders of Dream II rather than Hollander Sleep Products, LLC, Dream II, or the other Debtors.[12] For purposes of the following disclosure, references to Dream II are deemed to include references to subsidiaries of Dream II that are disregarded as separate from it for U.S. federal income tax purposes where applicable.

As a partnership or disregarded entity (as applicable), Dream II and its subsidiaries generally are not subject to U.S. federal income taxation. Instead, each existing equity holder of Dream II is required to report on its U.S. federal income tax return, and is subject to tax in respect of, its distributive share of each item of income, gain, loss, deduction and credit of such Debtors. Accordingly, except to the extent noted below, the U.S. federal income tax consequences of the Restructuring Transactions under the Plan generally will not be borne by the Debtors, and instead will be borne by the existing Holders of Interests in Dream II.

2. Cancellation of Debt Income and Reduction of Certain Tax Attributes.

In general, absent an exception, a taxpayer will realize and recognize cancellation of indebtedness income ("COD Income") upon satisfaction of its outstanding indebtedness for total consideration less than the amount of

[12] Certain of Hollander Sleep Products, LLC's direct or indirect subsidiaries are entities taxable as corporations for U.S. federal income tax purposes (the "Sleep Products Corporate Subsidiaries"). The Claims discussed in this disclosure are not held with respect to the Sleep Products Corporate Subsidiaries and, as such, this discussion does not address the tax consequences of the Restructuring Transactions as they relate to the Sleep Products Corporate Subsidiaries.

such indebtedness. The amount of COD Income, in general, is the excess of (a) the adjusted issue price of the indebtedness satisfied, over (b) the sum of (i) the amount of cash paid, (ii) the issue price of any new indebtedness of the debtor issued, and (iii) the fair market value of any other consideration (including stock or warrants of the debtor or another entity) given in satisfaction of such indebtedness at the time of the exchange.

However, a taxpayer will not be required to include COD Income in gross income under certain statutory exceptions. In particular, COD Income is not includable in income (i) if the taxpayer is under the jurisdiction of a court in a case under chapter 11 of the Bankruptcy Code and the discharge of debt occurs pursuant to that proceeding (the "Bankruptcy Exception") or (ii) if the taxpayer is insolvent (but only to the extent of the taxpayer's insolvency) (the "Insolvency Exception"). As a consequence of such exclusion, such taxpayer must reduce its tax attributes by the amount of COD Income that it excluded from gross income pursuant to section 108 of the IRC. In general, tax attributes will be reduced in the following order: (a) net operating losses ("NOLs"); (b) general business credit carryovers; (c) minimum tax credit carryovers; (d) capital loss carryovers; (e) tax basis in assets (but not below the amount of liabilities to which the debtor remains subject); (f) passive activity loss and credit carryovers; and (g) foreign tax credits. Alternatively, a taxpayer with COD Income may elect first to reduce the basis of its depreciable assets pursuant to section 108(b)(5) of the IRC.

In connection with the Restructuring Transactions, the Debtors expect to realize COD Income. The exact amount of any COD Income that will be realized by the Debtors will not be determinable until the consummation of the Plan. Because the Plan provides that the Holders of Allowed Class 4 Claims may receive 23% of the New Interests (subject to dilution by certain other issuances of New Interests) (if the Recapitalization Structure, as defined below, is implemented) the amount of COD Income will depend, among other things, on the fair market value of the New Interests (or the value of other consideration to Holders of Allowed Class 4 Claims receive pursuant to the Plan under a Sale Structure (as defined below)). This value cannot be known with certainty until after the Plan is consummated.

As described above, because Dream II is a partnership for U.S. federal income tax purposes, such COD Income is generally expected to be allocated to the existing equity holders of Dream II. Under section 108(d)(6) of the IRC, the Bankruptcy Exception and the Insolvency Exception (and, in each case, related attribute reduction) are applied at the partner level rather than at the entity level and, thus, depend on whether the partner, *i.e.*, each of the existing Holders of Interests in of Dream II to which the COD Income is allocated, is itself insolvent or in bankruptcy. The fact that the Debtors are insolvent and in bankruptcy is not relevant for that determination. For purposes of determining a Holder's insolvency (measured immediately prior to the Effective Date), the Holder would be treated as if it were individually liable for an amount of partnership debt equal to the amount of the COD Income allocated to the Holder. To the extent any amount of COD Income is excludable by a Holder by reason of the Insolvency Exception or the Bankruptcy Exception, the Holder generally would be required to reduce certain tax attributes (such as net operating losses, tax credits, possibly tax basis in assets and passive losses) after the determination of its tax liability for the taxable year. ***Each Holder of Interests in Dream II should consult its tax advisors regarding consequences of the consummation of the Plan to its own circumstances.***

3. Characterization of the Restructuring Transactions.

The Debtors have not yet determined how the Restructuring Transactions will be structured. There are currently two anticipated alternatives contemplated by the Plan—a Sale Structure or a Recapitalization Structure, each as defined and described below. Unless otherwise noted, the discussion below applies only to U.S. Holders.

(a) Sale Structure.

In the event that there is a Winning Bidder (other than the Term Loan Lenders), the Debtors expect to effect the Restructuring Transactions by causing Dream II to sell its assets (subject to any liabilities assumed by the Winning Bidder) to the Winning Bidder in a taxable exchange for the consideration paid by the applicable Winning Bidder (the "Bid Consideration," and such structure, the "Sale Structure"), which Bid Consideration, along with any additional Class 5 Sale Consideration (as defined below), the Debtors would subsequently distribute to Holders of Claims pursuant to the Plan. If a Sale Structure is utilized, Dream II's items of income, gain, loss, or deduction arising from such taxable exchange would be allocated to Holders of Interests in Dream II. For purposes of calculating the amount of income, gain, loss or deduction allocable to the Holders of Interests in Dream II arising

from such a sale, Dream II would recognize gain or loss equal to the amount of the Bid Consideration, plus the amount of any liabilities assumed by the Winning Bidder in the sale, less Dream II's tax basis in the transferred assets. In addition, to the extent the Winning Bidder does not assume liabilities of the Debtors and the Bid Consideration distributed to a Holder of Claims is less than the amount of such Holder's Claim, the cancellation of any remaining Claims against the Debtors may give rise to COD Income, as described above in Article X.B.2, which COD Income would be allocated to Holders of Interests in Dream II, as described therein.

(b) Recapitalization Structure.

If the Term Loan Lenders are the Winning Bidder, the Debtors anticipate that the Restructuring Transactions will be structured as a transfer of all of Dream II's assets (subject to certain liabilities) to an entity treated as a corporation for U.S. federal income tax purposes that is newly formed by a nominee of the Exit Term Loan Lenders ("Dream Newco Parent"). Pursuant to the Plan and in accordance with the Restructuring Transactions, the following transactions would occur:

- On or prior to the Effective Date, the Exit Term Loan Lenders would fund their proportionate share of the Exit Term Loan Facility and receive 40% of the New Interests (subject to dilution by equity issuances in accordance with the Management Incentive Plan);

- On the Effective Date, Dream Newco Parent would contribute 60% of the New Interests (subject to dilution by equity issuances in accordance with the Management Incentive Plan) to a newly formed wholly-owned, subsidiary treated as a corporation for U.S. federal income tax purposes ("Dream Acquisition Subsidiary");

- On the Effective Date, immediately following the prior step, in accordance with the Plan, Dream Acquisition Subsidiary would acquire all of the assets of Dream II (subject to certain liabilities) in exchange for 60% of the New Interests (subject to dilution by equity issuances in accordance with the Management Incentive Plan), the portion of the Exit Term Loan Facility not previously funded by the Exit Term Loan Lenders, the Class 5 Recapitalization Consideration (as defined below in Article X.C.2) and the assumption of certain of the Debtors' liabilities;

- On the Effective Date, immediately following the prior step, in accordance with the Plan, Dream II would (a) distribute 23% of the New Interests (subject to dilution by equity issuances in accordance with the Management Incentive Plan) to the Holders of Allowed Class 4 Claims in exchange for the full and final satisfaction of the Term Loan Claims held by the Holders of Allowed Class 4 Claims (b) distribute 37% of the New Interests (subject to dilution by equity issuances in accordance with the Management Incentive Plan) and the portion of the Exit Term Loan Facility received from Dream Acquisition Subsidiary to the DIP Term Loan Lenders in exchange for the full and final satisfaction of the DIP Term Loan Claims held by the DIP Term Loan Lenders and (c) distribute the Class 5 Recapitalization Consideration to the Holders of Allowed Class 5 Claims; and

- After the Effective Date, Dream Newco Parent would grant equity-based awards based on the New Interests in accordance with the Management Incentive Plan (collectively, the "Recapitalization Structure").

The transfer of assets to Dream Acquisition Subsidiary described above, although not free from doubt, would generally be expected to be treated as a taxable sale or exchange of the assets of Dream II for U.S. federal income tax purposes. As described above, because Dream II is a partnership for U.S. federal income tax purposes, any income, gain, loss, or deduction incurred in connection with such transactions, including any COD Income, would be allocated to the Holders of Interests in Dream II. Dream Acquisition Subsidiary would generally not be expected to recognize any gain or loss in such taxable exchange. In general, Dream Acquisition Subsidiary would have an initial tax basis in the assets acquired from Dream II in the taxable exchange equal to their respective fair market values at the time of the transfer.

Notwithstanding the foregoing, it is possible that the IRS would seek to recharacterize the Recapitalization Transaction as though (i) the DIP Term Loan Lenders contributed a portion of their DIP Term Loan Claims, and/or the Holders of Allowed Class 4 Claims contributed their Allowed Class 4 Claims, to Dream Newco Parent, in each

case, in exchange for New Interests in a tax-deferred transaction governed by section 351 of the IRC, (ii) Dream Newco Parent contributed such Claims to Dream Acquisition Subsidiary in a tax-deferred transaction governed by section 351 of the IRC, and (iii) Dream Acquisition Subsidiary acquired all of the assets of Dream II (subject to certain liabilities) in full and final satisfaction of such Claims (a "Deemed 351 Transaction"). If the IRS were to successfully recharacterize the Recapitalization Transactions as a Deemed 351 Transaction, Dream Newco Parent's tax basis in the DIP Term Loans and/or the Allowed Class 4 Claims deemed contributed to it by each applicable Holder would generally be equal to the lesser of (a) the applicable transferor's tax basis in the contributed DIP Term Loan and/or contributed Allowed Class 4 Claim, as applicable and (b) the fair market value of the contributed DIP Term Loan and/or contributed Allowed Class 4 Claim, as applicable, in each case, at the time of such contribution. Moreover, Dream Acquisition Subsidiary's tax basis in the Allowed Class 4 Claims and/or DIP Term Loan Claims contributed to it would generally be equal to Dream Newco Parent's tax basis in such Claims. Accordingly, it is possible that Dream Acquisition Subsidiary would recognize gain, but not loss, on the subsequent deemed transfer of Allowed Class 4 Claims and/or DIP Term Loans to Dream II in exchange for the assets of Dream II (subject to certain liabilities) in an amount equal to the excess, if any, of (i) the fair market value of the assets received from Dream II and (ii) Dream Acquisition Subsidiary's tax basis in the Allowed Class 4 Claims and/or DIP Term Loan Claims transferred to Dream II pursuant to the Deemed 351 Transaction. Holders of Claims are urged to consult their tax advisors regarding the tax consequences of a potential recharacterization of the Restructuring Transactions as a Deemed 351 Transaction.

(c) Transfer of the Commercial Tort Claims to Settlement Trust.

If the Restructuring Transactions are effected pursuant to the Sale Structure, it is expected, and the remainder of this discussion assumes, that the Debtors would transfer the Commercial Tort Claims to a settlement trust (a "Settlement Trust"). Subject to definitive guidance from the IRS or a court of competent jurisdiction to the contrary and other than with respect to amounts, if any, in a reserve for disputed claims (a "Disputed Claims Reserve"), the Debtors would structure the Settlement Trust in a manner intended to be treated as a "liquidation trust" for U.S. federal income tax purposes pursuant to Treasury Regulations section 301-7701-4(d), and the trustee of the Settlement Trust would be expected to the take positions on the Settlement Trust's tax return in a manner consistent with that intention. For U.S. federal income tax purposes, the transfer of assets to a Settlement Trust would be deemed to occur (a) first, as a transfer of the Commercial Tort Claims and, potentially cash, (the "Settlement Trust Assets") to the Holders of Class 5 Claims and (b) second, as a transfer by such Holders of the Settlement Trust Assets to the Settlement Trust.

As a result, the transfer of the Settlement Trust Assets to the Settlement Trust would be a taxable transaction, and the Debtors would recognize gain or loss equal to the difference between the tax basis and fair market value of such assets. As soon as possible after the transfer of the Settlement Trust Assets to the Settlement Trust, the trustee(s) of the Settlement Trust would make a good faith valuation of the fair market value of the Settlement Trust Assets. This valuation would be made available from time to time, as relevant for tax reporting purposes. Each of the Debtors, the trustee of the Settlement Trust, and the Holders of Claims receiving interests in the Settlement Trust would take consistent positions with respect to the valuation of the Settlement Trust Assets, and such valuations would be utilized for all U.S. federal income tax purposes.

Allocations of any taxable income of the Settlement Trust among the Settlement Trust beneficiaries would be determined by reference to the manner in which an amount of Settlement Trust Assets equal to such taxable income would be distributed (were such Settlement Trust Assets permitted to be distributed at such time) if, immediately prior to such deemed distribution, the Settlement Trust had distributed all its assets (valued at their tax book value) to the Settlement Trust beneficiaries, adjusted for prior taxable income and loss and taking into account all prior and concurrent distributions from the Settlement Trust. Similarly, taxable loss of the Settlement Trust would be allocated by reference to the manner in which an economic loss would be borne immediately after a liquidating distribution of the remaining Settlement Trust Assets. The tax book value of the Settlement Trust Assets would be equal to their fair market value on the date of the transfer of the Settlement Trust Assets to the Settlement Trust, adjusted in accordance with tax accounting principles prescribed by the IRC, applicable Treasury Regulations, and other applicable administrative and judicial authorities and pronouncements.

The Settlement Trust would in no event be expected to be dissolved later than three (3) years from the creation of such Settlement Trust, unless the Bankruptcy Court, upon motion within the six (6) month period prior to

the third (3rd) anniversary (or within the six (6) month period prior to the end of an extension period), determines that a fixed period extension (not to exceed three (3) years, together with any prior extensions, without a favorable private letter ruling from the IRS or an opinion of counsel satisfactory to the trustee(s) of the Settlement Trust that any further extension would not adversely affect the status of the trust as a liquidating trust for U.S. federal income tax purposes) is necessary to facilitate or complete the recovery and liquidation of the Settlement Trust Assets.

With respect to amounts, if any, in a Disputed Claims Reserve, the Debtors expect that such account would be treated as a "disputed ownership fund" governed by Treasury Regulations section 1.468B-9, that any appropriate elections with respect thereto would be made, and that such treatment would also be applied to the extent possible for state and local tax purposes. Under such treatment, a separate U.S. federal income tax return would be filed with the IRS for the Disputed Claims Reserve and would be subject to tax annually on a separate entity basis. Any taxes (including with respect to interest, if any, earned in the account, or any recovery on the portion of assets allocable to such account in excess of the Disputed Claims Reserve's basis in such assets) imposed on such account would be paid out of the assets of the respective account (and reductions would be made to amounts disbursed from the account to account for the need to pay such taxes).

Because the assets that would be transferred by the Debtors to the Settlement Trust may include assets with no tax basis, the Debtors may recognize taxable income in connection with such transfers to the extent of the fair market value of such assets, which taxable income would be borne by the equity holders of Dream II (as described above).

C. *Certain U.S. Federal Income Tax Consequences of the Plan to U.S. Holders of Allowed Class 4 and Class 5 Claims.*

The following discussion assumes that the Debtors will undertake the Restructuring Transactions currently contemplated by the Plan using one of the transaction structures described above in Article X.B.3. U.S. Holders are urged to consult their own tax advisors regarding the Restructuring Transactions' tax consequences to them.

1. U.S. Holders of Allowed Class 4 Claims.

The U.S. federal income tax consequences to a U.S. Holder who disposes of its Allowed Class 4 Claims in exchange for New Interests (an "Allowed Class 4 Claim Exchange") will depend on the Restructuring Transactions that are implemented in pursuance of the Plan.

(a) Sale Structure.

If the Restructuring Transactions are effected pursuant to a Sale Structure, then a U.S. Holder of an Allowed Class 4 Claim's exchange of its Allowed Class 4 Claim for its Pro Rata Share of the Term Loan Distributable Cash will constitute a fully taxable exchange under section 1001 of the IRC. Accordingly, subject to the discussion of accrued interest and market discount below, each such Holder of an Allowed Class 4 Claim should generally recognize gain or loss in the exchange in an amount equal to the difference between (i) the amount of cash received and (ii) its adjusted tax basis in its Allowed Class 4 Claim. The character of such gain or loss as a capital gain or loss or as ordinary income or loss will be determined by a number of factors, including the tax status of the U.S. Holder, the nature of the Allowed Class 4 Claim in the U.S. Holder's hands, whether the Allowed Class 4 Claim constitutes a capital asset in the hands of the U.S. Holder, whether the Allowed Class 4 Claim was purchased at a discount by the U.S. Holder and whether, and to what extent, the U.S. Holder has previously claimed a bad debt deduction with respect to the Allowed Class 4 Claim. If recognized gain is capital gain, such gain generally would be long-term capital gain if the U.S. Holder held the Allowed Class 4 Claim for more than one year at the time of the exchange. The deductibility of capital losses is subject to certain limitations, as discussed below.

(b) Recapitalization Structure.

If the assets of Dream II are transferred to Dream Acquisition Subsidiary in exchange for 23% of the New Interests of Dream Newco Parent (together with an assumption of certain liabilities of the Debtors by Dream Acquisition Subsidiary), which New Interests the Debtors would then distribute to the Holders of Allowed Class 4 Claims in exchange for such Claims, and such transactions are not treated as a Deemed 351 Transaction, Dream II's

transfer of such New Interests for the Allowed Class 4 Claims should be treated as a fully taxable exchange under section 1001 of the IRC. Subject to the discussion of accrued interest and market discount below, each Holder of an Allowed Class 4 Claim should recognize gain or loss in the taxable exchange in an amount equal to the difference between (i) the fair market value of the New Interests received and (ii) such Holder's adjusted tax basis in its Allowed Class 4 Claim. The character of such gain or loss as capital gain or loss or as ordinary income or loss will be determined by a number of factors, including the tax status of the U.S. Holder, the nature of the Allowed Class 4 Claim in the U.S. Holder's hands, whether the Allowed Class 4 Claim constitutes a capital asset in the hands of the U.S. Holder, whether the Allowed Class 4 Claim was purchased at a discount by the U.S. Holder and whether, and to what extent, the U.S. Holder has previously claimed a bad debt deduction with respect to the Allowed Class 4 Claim. If recognized gain is capital gain, such gain generally would be long-term capital gain if the U.S. Holder held the Allowed Class 4 Claim for more than one year at the time of the exchange. The deductibility of capital losses is subject to certain limitations, as discussed below. A U.S. Holder's tax basis in the New Interests received in such exchange should be equal to the fair market value of such New Interests as of the Effective Date and the U.S. Holder's holding period in such New Interests should begin on the day following the Effective Time.

Notwithstanding the foregoing, if the IRS were to successfully recharacterize the Recapitalization Structure as a Deemed 351 Transaction, each Holder of Allowed Class 4 Claims may be deemed to contribute its Allowed Class 4 Claim to Dream Newco Parent in exchange for New Interests in a tax-deferred exchange under section 351 of the IRC. In that case, each Holder of an Allowed Class 4 Claim would not recognize any taxable gain or loss on the deemed contribution, the U.S. Holder's tax basis in the New Interests received would generally be expected to be equal to the tax basis in its Allowed Class 4 Claim and the U.S. Holder's holding period in such New Interests would include its holding period in its Allowed Class 4 Claim.

2. Consequences to Holders of Class 5 Claims.

(a) Sale Structure.

If the Restructuring Transactions are effected pursuant to a Sale Structure, a U.S. Holder of an Allowed Class 5 Claim will exchange its Allowed Class 5 Claim for its Pro Rata share of (i) the GUC Sale Transaction Recovery Pool, (ii) the beneficial interest in the Settlement Trust, and (iii) the Last Out Loans Turnover Amount (together, the "Class 5 Sale Consideration").

A U.S. Holder's disposition of its Allowed Class 5 Claim in exchange for the Class 5 Sale Consideration will constitute a fully taxable exchange under section 1001 of the IRC. Accordingly, subject to the discussion of installment sale reporting, imputed interest, accrued interest, and market discount below, each Holder of an Allowed Class 5 Claim would generally recognize gain or loss in the exchange in an amount equal to the difference between (i) the sum of the amount of cash received from its share of the GUC Sale Transaction Recovery Pool and the Last Out Loans Turnover Amount, plus the fair market value of its beneficial interest in the Settlement Trust and (ii) such Holder's adjusted tax basis in its Allowed Class 5 Claim.

Subject to the discussion of imputed interest and the installment sale method below, the character of such gain or loss that a U.S. Holder recognizes on receipt of the Class 5 Sale Consideration as capital gain or loss or as ordinary income or loss will be determined by a number of factors, including the tax status of the U.S. Holder, the nature of the Allowed Class 5 Claim in the U.S. Holder's hands, whether the Allowed Class 5 Claim constitutes a capital asset in the hands of the U.S. Holder, whether the Allowed Class 5 Claim was purchased at a discount, and whether, and to what extent, the U.S. Holder has previously claimed a bad debt deduction with respect to the Allowed Class 5 Claim. If recognized gain is capital gain, such gain generally would be long-term capital gain if the U.S. Holder held the Allowed Class 5 Claim for more than one year at the time of the exchange. The deductibility of capital losses is subject to certain limitations, as discussed below. A U.S. Holder's tax basis in the Class 5 Sale Consideration (other than cash) received in such exchange should be equal to the fair market value of such Class 5 Sale Consideration as of the Effective Date and the U.S. Holder's holding period in such Class 5 Sale Consideration (other than cash) should begin on the day following the Effective Time.

As discussed above, the Debtors expect (and the Settlement Trust documents would be expected to provide) that, other than with respect to any Disputed Claims Reserve, the trustee of the Settlement Trust would treat the Settlement Trust as a grantor trust of which the Holders of Allowed Class 5 Claims are the grantors.

Accordingly, each Holder of an Allowed Class 5 Claim would be treated as having (a) received its Pro Rata share of the Commercial Tort Claims from the Debtors and (b) immediately thereafter, contributed such assets to the Settlement Trust. A Holder of such Claims would be treated as directly owning its Pro Rata interest in the Settlement Trust Assets. A U.S. Holder of such Claims should obtain a tax basis in its Pro Rata share of each of the Settlement Trust Assets equal to the fair market value of such Holder's Pro Rata share of each Settlement Trust Assets as of the date such property is treated as having been distributed to the U.S. Holder pursuant to (a) above. A U.S. Holder's holding period for the beneficial interest in these assets (other than those determined to be received in satisfaction of accrued but untaxed interest) would begin on the day following the Effective Date. The tax basis of the Pro Rata share of each of the Settlement Trust Assets determined to be received in satisfaction of accrued but untaxed interest (or original issue discount) would be equal to the amount of such accrued but untaxed interest (or original issue discount), but in no event would such basis exceed the fair market value of the Pro Rata share of each of the Settlement Trust Assets received in satisfaction of accrued but untaxed interest (or original issue discount).

The U.S. federal income tax obligations of Holders with respect to their beneficial interest in the Settlement Trust would not be dependent on the Settlement Trust distributing any Commercial Tort Proceeds or other proceeds. U.S. Holders of such Claims would be required to report on their U.S. federal income tax returns their share of the Settlement Trust's items of income, gain, loss, deduction, and credit in the year recognized by the Settlement Trust. This requirement may result in such U.S. Holders being subject to tax on their allocable share of the Settlement Trust's taxable income prior to receiving any cash distributions from the Settlement Trust. In general, a distribution of Commercial Tort Proceeds or other proceeds by the Settlement Trust to a Holder would not be separately taxable to a Holder of a beneficial interest in the Settlement Trust because the Holder would already be regarded for U.S. federal income tax purposes as owning the underlying assets (and was taxed at the time the Commercial Tort Proceeds or other proceeds were earned or received by the Settlement Trust).

As noted above, with respect to amounts, if any, in a Disputed Claims Reserve, the Debtors expect that such account would be treated as a "disputed ownership fund" governed by Treasury Regulation section 1.468B-9, that any appropriate elections with respect thereto shall be made, and that such treatment would also be applied to the extent possible for state and local tax purposes. To the extent property is not distributed to U.S. Holders of Allowed Class 5 Claims on the Effective Date but, instead, is transferred to the Disputed Claims Reserve, although not free from doubt, U.S. Holders would not recognize any gain or loss on the date that the property is so transferred. Instead, gain or loss would be recognized when and to the extent property was actually distributed to such U.S. Holders. To the extent a U.S. Holder receives distributions from the Disputed Claims Reserve with respect to a Claim subsequent to the Effective Date, such U.S. Holder may recognize additional gain (if such U.S. Holder is in a gain position), and a portion of such distribution may be treated as imputed interest income. In addition, it is possible that the recognition of any loss realized by a U.S. Holder would be deferred until all payments had been made out of the Disputed Claims Reserve. U.S. Holders are urged to consult their tax advisors regarding the possible application (and the ability to elect out) of the "installment sale method" of reporting any gain that may be recognized by such U.S. Holders in respect of their Claims due to the receipt of property in a taxable year subsequent to the taxable year in which the Effective Date occurs. The discussion herein assumes that the installment sale method does not apply.

(b) Recapitalization Structure.

If the Restructuring Transactions are effected pursuant to a Recapitalization Structure, a U.S. Holder of an Allowed Class 5 Claim will exchange its Allowed Class 5 Claim for its Pro Rata share of (i) the GUC Reorganization Recovery Pool, (ii) the Commercial Tort Proceeds, (iii) the Last Out Loans Turnover Amount, and (iv) the Future Sale Consideration (together, the "Class 5 Recapitalization Consideration," and together with the Class 5 Sale Consideration, the "Class 5 Consideration"); provided, that, if the U.S. Holder is a Supporting Vendor, such U.S. Holder will receive the Vendor Support Incentive in lieu of its Pro Rata share of the GUC Reorganization Recovery Pool.

A U.S. Holder's disposition of its Allowed Class 5 Claim in exchange for the Class 5 Recapitalization Consideration will constitute a fully taxable exchange under section 1001 of the IRC. Accordingly, subject to the discussion of installment sale reporting, imputed interest, accrued interest, and market discount below, (A) each such Holder of an Allowed Class 5 Claim (other than a Supporting Vendor) should generally recognize gain or loss in the exchange in an amount equal to the difference between (i) the sum of the amount of cash received from its share of

the GUC Reorganization Recovery Pool, plus the fair market value of its share of the contractual right to receive the Commercial Tort Proceeds, the Last Out Loans Turnover Amount and the Future Sale Consideration and (ii) its adjusted tax basis in its Allowed Class 5 Claim, and (B) each Holder of an Allowed Class 5 Claim that is a Supporting Vendor, should generally recognize gain or loss in the exchange in an amount equal to the difference between (i) the fair market value of its Vendor Support Incentive, plus the fair market value of its share of the contractual right to receive the Commercial Tort Proceeds and the Last Out Loans Turnover Amount and (ii) its adjusted tax basis in its Allowed Class 5 Claim.

Subject to the discussion of imputed interest and the installment sale method below, the character of such gain or loss that a U.S. Holder recognizes on receipt of the Class 5 Recapitalization Consideration as capital gain or loss or as ordinary income or loss will be determined by a number of factors, including the tax status of the U.S. Holder, the nature of the Allowed Class 5 Claim in the U.S. Holder's hands, whether the Allowed Class 5 Claim constitutes a capital asset in the hands of the U.S. Holder, whether the Allowed Class 5 Claim was purchased at a discount and whether, and to what extent, the U.S. Holder has previously claimed a bad debt deduction with respect to the Allowed Class 5 Claim. If recognized gain is capital gain, such gain generally would be long-term capital gain if the U.S. Holder held the Allowed Class 5 Claim for more than one year at the time of the exchange. The deductibility of capital losses is subject to certain limitations, as discussed below. A U.S. Holder's tax basis in the Class 5 Recapitalization Consideration (other than cash) received in such exchange should be equal to the fair market value of such Class 5 Recapitalization Consideration as of the Effective Date and the U.S. Holder's holding period in such Class 5 Recapitalization Consideration (other than cash) should begin on the day following the Effective Time.

(c) The Installment Sale Method.

If the Restructuring Transactions are effected pursuant to the Recapitalization Structure, a Holder of a Class 5 Claim's receipt of the Class 5 Recapitalization Consideration may, at the discretion of such Holder, and subject to certain U.S. federal income tax rules, be treated as either a "closed transaction" or an "open transaction" for U.S. federal income tax purposes as a result of the deferred receipt, and, in certain instances, the contingent nature, of the amounts payable in respect of the Commercial Tort Proceeds, the Last Out Loans Turnover Amount, the Vendor Support Incentive, and the GUC Reorganization Recovery Pool. It is the position of the IRS, reflected by the Treasury Regulations, that only in "rare and extraordinary cases" is the value of property so uncertain that open transaction treatment is available. ***A Holder of Class 5 Claims is urged to consult its tax advisors regarding the applicability of open transaction reporting to the receipt of the Class 5 Recapitalization Consideration.*** The remainder of this discussion assumes that a Holder will choose to treat its receipt of the Class 5 Recapitalization Consideration as a "closed transaction."

If all the rights to payment attributable to the Class 5 Recapitalization Consideration received by a Holder of Class 5 Claims have not terminated as of the end of the taxable year that includes the Effective Date, for U.S. federal income tax purposes, any gain recognized by the Holder in respect of the Class 5 Recapitalization Consideration received by such Holder may be subject to the "installment sale method," governed by section 453 of the IRC and the Treasury Regulations promulgated thereunder, unless the Holder affirmatively elects out of the installment sale method, the Holder determines to use another method of tax reporting, or the Holder is otherwise ineligible for the installment sale method of reporting. The installment sale method should generally not apply to any Holder of Class 5 Claims who would recognize a loss upon the transfer of its Allowed Class 5 Claims in exchange for the Class 5 Recapitalization Consideration. In addition, a Holder that reports its receipt of the Class 5 Recapitalization Consideration under the installment sale method may also incur additional interest charges under section 453A of the IRC if certain conditions are met.

Subject to the discussion of imputed interest below, under the installment sale method, a portion of each payment received by a Holder of Class 5 Claims in respect of the Class 5 Recapitalization Consideration is taxable as gain in the year of receipt and a portion represents a tax-free recovery of the Stockholder's basis in the shares of Company Capital Stock. Given that the Class 5 Recapitalization Consideration consists of different contractual claims, each of which may be paid over differing time periods and is subject to differing contingencies, the application of the installment sale method rules to determine the amount of gain in respect of any payments received in respect of the Class 5 Recapitalization Consideration is complex and subject to uncertainties. ***Accordingly, each Holder of Class 5 Claims is urged to consult with its tax advisors concerning its qualification for, and the***

applicability of, the installment sale method to its Class 5 Claims and the tax consequences resulting from such method of reporting.

(d) Imputed Interest.

A portion of any payment attributable to the Class 5 Consideration received by a Holder after the Effective Date may be treated as interest income taxable at ordinary income rates when received, and will reduce the amount of gain (or increase the amount of loss) otherwise recognizable by such Holder.

3. Accrued Interest.

To the extent that any amount received by a U.S. Holder of a Claim under the Plan is attributable to accrued but untaxed interest on the debt instruments constituting the surrendered Claim, the receipt of such amount should be taxable to the U.S. Holder as ordinary interest income (to the extent not already taken into income by the U.S. Holder). Conversely, a U.S. Holder of a Claim may be able to recognize a deductible loss to the extent that any accrued interest on the debt instruments constituting such claim was previously included in the Holder's gross income but was not paid in full by the Debtors.

If the fair market value of the consideration is not sufficient to fully satisfy all principal and interest on Allowed Claims, the extent to which such consideration will be attributable to accrued interest is unclear. Under the Plan, the aggregate consideration to be distributed to Holders of Allowed Claims in each Class will be allocated first to the principal amount of Allowed Claims, with any excess allocated to unpaid interest that accrued on these Claims, if any. Certain legislative history indicates that an allocation of consideration as between principal and interest provided in a chapter 11 plan of reorganization is binding for U.S. federal income tax purposes, and certain case law generally indicates that a final payment on a distressed debt instrument that is insufficient to repay outstanding principal and interest will be allocated to principal, rather than interest. Certain Treasury Regulations treat payments as allocated first to any accrued but unpaid interest. The IRS could take the position that the consideration received by the Holder should be allocated in some way other than as provided in the Plan. U.S. Holders of Claims should consult their own tax advisors regarding the proper allocation of the consideration received by them under the Plan.

4. Market Discount.

Under the "market discount" provisions of the IRC, some or all of any gain realized by a U.S. Holder of a Claim who exchanges the Claim on the Effective Date may be treated as ordinary income (instead of capital gain), to the extent of the amount of "accrued market discount" on the debt instruments constituting the exchanged Claim. In general, a debt instrument is considered to have been acquired with "market discount" if it is acquired other than on original issue and if its Holder's adjusted tax basis in the debt instrument is less than (a) the sum of all remaining payments to be made on the debt instrument, excluding "qualified stated interest" or (b) in the case of a debt instrument issued with original issue discount, its adjusted issue price, by at least a de minimis amount (equal to 0.25% of the sum of all remaining payments to be made on the debt instrument, excluding qualified stated interest, multiplied by the number of remaining whole years to maturity).

Any gain recognized by a U.S. Holder on the taxable disposition of an Allowed Claim (determined as described above) that was acquired with market discount should be treated as ordinary income to the extent of the market discount that accrued thereon while the Claim was considered to be held by the U.S. Holder (unless the U.S. Holder elected to include market discount in income as it accrued). To the extent that the Allowed Claims that were acquired with market discount are exchanged in a tax-free transaction for other property, any market discount that accrued on the Allowed Claims (*i.e.*, up to the time of the exchange), but was not recognized by the U.S. Holder is carried over to the property received therefor, and any gain recognized on the subsequent sale, exchange, redemption, or other disposition of the property is treated as ordinary income to the extent of the accrued, but not recognized, market discount.

5. Limitations on Use of Capital Losses.

A U.S. Holder of an Allowed Claim who recognizes capital losses as a result of the distributions under the Plan will be subject to limits on its use of capital losses. For a non-corporate U.S. Holder, capital losses may be used to offset any capital gains (without regard to holding periods) plus ordinary income to the extent of the lesser of (a) $3,000 ($1,500 for married individuals filing separate returns) or (b) the excess of the capital losses over the capital gains. A non-corporate U.S. Holder may carry over unused capital losses and apply them to capital gains and a portion of their ordinary income for an unlimited number of years. For corporate U.S. Holders, losses from the sale or exchange of capital assets may only be used to offset capital gains. A corporate U.S. Holder who has more capital losses than can be used in a tax year may be allowed to carry over the excess capital losses for use in succeeding tax years. Corporate U.S. Holders may only carry over unused capital losses for the five years following the capital loss year, but are allowed to carry back unused capital losses to the three years preceding the capital loss year.

6. U.S. Federal Income Tax Consequences to U.S. Holders of Owning and Disposing of New Interests of Dream Newco Parent.

(a) Dividends on New Interests of Dream Newco Parent.

In general, any cash distributions made with respect to the New Interests of Dream Newco Parent will be treated as taxable dividends for U.S. federal income tax purposes to the extent of the current or accumulated earnings and profits of Dream Newco Parent, as determined under U.S. federal income tax principles, and will be includible by a U.S. Holder as ordinary income when received. "Qualified dividend income" received by an individual U.S. Holder is subject to preferential tax rates. To the extent that a U.S. Holder receives distributions that exceed such current and accumulated earnings and profits, such distributions will be treated first as a non-taxable return of capital reducing the U.S. Holder's basis in its New Interests. Any such distributions in excess of the U.S. Holder's basis in its shares (determined on a share-by-share basis) generally will be treated as capital gain.

Subject to applicable limitations, distributions treated as dividends paid to U.S. Holders that are corporations generally will be eligible for the dividends-received deduction so long as there are sufficient earnings and profits. However, the dividends-received deduction is only available if certain holding period requirements are satisfied. The length of time that a shareholder has held its stock is reduced for any period during which the shareholder's risk of loss with respect to the stock is diminished by reason of the existence of certain options, contracts to sell, short sales, or similar transactions. In addition, to the extent that a corporation incurs indebtedness that is directly attributable to an investment in the stock on which the dividend is paid, all or a portion of the dividends received deduction may be disallowed.

(b) Sale, Redemption, or Repurchase of New Interests of Dream Newco Parent.

Unless a non-recognition provision applies, U.S. Holders generally will recognize capital gain or loss upon the sale, redemption, or other taxable disposition of the New Interests of Dream Newco Parent in an amount equal to the difference between (i) such Holder's adjusted tax basis in such New Interests and (ii) the sum of the cash and the fair market value of any property received from such disposition. Any such capital gain or loss generally would be long-term if at the time of the sale, exchange, retirement, or other taxable disposition, the U.S. Holder holding period for such New Interests is more than one year. Long-term capital gains of an individual taxpayer generally are taxed at preferential rates. The deductibility of capital losses is subject to certain limitations as described above.

D. *Certain U.S. Federal Income Tax Consequences of the Plan to Non-U.S. Holders of Allowed Claims*.

The following discussion assumes that the Debtors will undertake the Restructuring Transactions currently contemplated by the Plan and includes only certain U.S. federal income tax consequences of the Plan to Non-U.S. Holders. The rules governing the U.S. federal income tax consequences to Non-U.S. Holders are complex. Each Non-U.S. Holder is urged to consult its own tax advisor regarding the U.S. federal, state, local, non-U.S., and non-income tax consequences of the consummation of the Plan to such Non-U.S. Holder and the ownership and disposition of the New Interests.

1. Gain Recognition.

Any gain realized by a Non-U.S. Holder on the exchange of its Claim generally will not be subject to U.S. federal income taxation unless (a) the Non-U.S. Holder is an individual who was present in the U.S. for 183 days or more during the taxable year in which the Restructuring Transactions occur and certain other conditions are met or (b) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business in the U.S. (and, if an income tax treaty applies, such gain is attributable to a permanent establishment maintained by such Non-U.S. Holder in the U.S.).

If the first exception applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax at a rate of 30% (or at a reduced rate or exemption from tax under an applicable income tax treaty) on the amount by which such Non-U.S. Holder's capital gains allocable to U.S. sources exceed capital losses allocable to U.S. sources during the taxable year of the exchange. If the second exception applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax with respect to any gain realized on the exchange if such gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business in the U.S. in the same manner as a U.S. Holder (except that the Medicare tax would generally not apply). In order to claim an exemption from withholding tax, such Non-U.S. Holder will be required to provide a properly executed IRS Form W-8ECI (or such successor form as the IRS designates). In addition, if such a Non-U.S. Holder is a corporation, it may be subject to a branch profits tax equal to 30% (or such lower rate provided by an applicable treaty) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments.

2. U.S. Federal Income Tax Consequences to Non-U.S. Holders of Owning and Disposing of New Interests of Dream Newco Parent.

(a) Dividends on New Interests of Dream Newco Parent.

In general, any cash distributions made with respect to the New Interests of Dream Newco Parent will be treated as taxable dividends for U.S. federal income tax purposes to the extent of the current or accumulated earnings and profits of Dream Newco Parent, as determined under U.S. federal income tax principles. Except as described below, dividends paid with respect to New Interests held by a Non-U.S. Holder that are not effectively connected with a Non-U.S. Holder's conduct of a U.S. trade or business (or, if an income tax treaty applies, are not attributable to a permanent establishment maintained by such Non-U.S. Holder in the U.S.) will be subject to U.S. federal withholding tax at a rate of 30% (or at a reduced rate or exemption from tax under an applicable income tax treaty). A Non-U.S. Holder generally will be required to satisfy certain IRS certification requirements in order to claim a reduction of or exemption from withholding under a tax treaty by filing IRS Form W-8BEN or W-8BEN-E, as applicable (or such successor form as the IRS designates), upon which the Non-U.S. Holder certifies, under penalties of perjury, its status as a non-U.S. person and its entitlement to the lower treaty rate or exemption from tax with respect to such payments. Dividends paid with respect to New Interests held by a Non-U.S. Holder that are effectively connected with a Non-U.S. Holder's conduct of a U.S. trade or business (and, if an income tax treaty applies, are attributable to a permanent establishment maintained by such Non-U.S. Holder in the U.S.) generally will be subject to U.S. federal income tax in the same manner as a U.S. Holder, and a Non-U.S. Holder that is a corporation for U.S. federal income tax purposes may also be subject to a branch profits tax with respect to such Non-U.S. Holder's effectively connected earnings and profits that are attributable to the dividends at a rate of 30% (or at a reduced rate or exemption from tax under an applicable income tax treaty).

(b) Sale, Redemption, or Repurchase of New Interests of Dream Newco Parent.

A Non-U.S. Holder generally will not be subject to U.S. federal income tax with respect to any gain realized on the sale or other taxable disposition (including a cash redemption) of New Interests of Dream Newco Parent unless: (1) such Non-U.S. Holder is an individual who is present in the U.S. for 183 days or more in the taxable year of disposition or who is subject to special rules applicable to former citizens and residents of the U.S.; (2) such gain is effectively connected with such Non-U.S. Holder's conduct of a U.S trade or business (and, if an income tax treaty applies, such gain is attributable to a permanent establishment maintained by such Non-U.S. Holder in the U.S.); or (3) the issuer of such New Interests is or has been during a specified testing period a "U.S. real property holding corporation" (a "USRPHC") under the FIRPTA rules (as defined and discussed below).

If the first exception applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax at a rate of 30% (or at a reduced rate or exemption from tax under an applicable income tax treaty) on the amount by which such Non-U.S. Holder's capital gains allocable to U.S. sources exceed capital losses allocable to U.S. sources during the taxable year of disposition of New Interests. If the second exception applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax with respect to such gain in the same manner as a U.S. Holder, and a Non-U.S. Holder that is a corporation for U.S. federal income tax purposes may also be subject to a branch profits tax with respect to earnings and profits effectively connected with a U.S. trade or business that are attributable to such gains at a rate of 30% (or at a reduced rate or exemption from tax under an applicable income tax treaty). The FIRPTA rules are discussed in greater detail below.

3. U.S. Federal Income Tax Consequences to Non-U.S. Holders of Class 5 Claims of Owning Beneficial Interests in the Settlement Trust.

If the Restructuring Transactions are effected pursuant to a Sale Structure, a Non-U.S. Holder of an Allowed Class 5 Claim that receives beneficial interests in the Settlement Trust should be treated as owning its share of the assets held by the Settlement Trust, as discussed above in Article X.B.3.c.

It is possible that the IRS could assert that the Settlement Trust and as a result, a Non-U.S. Holder of interests in the Settlement Trust, is engaged in a U.S. trade or business (and, if an income tax treaty applies, as though the income of the Settlement Trust is attributable to a permanent establishment maintained by such Non-U.S. Holder in the U.S.) by virtue of the activities of the Settlement Trust in seeking to recover the Commercial Tort Proceeds. If the IRS were to successfully assert that the Settlement Trust is engaged in a U.S. trade or business, some or all of the income recognized by the Settlement Trust could be treated as effectively connected with such Non-U.S. Holder's U.S. trade or business ("ECI"). A Non-U.S. Holder's share of any such ECI would be subject to tax at regular U.S. federal income tax rates and, if the Non-U.S. Holder is a corporation for U.S. federal income tax purposes, may also be subject to U.S. branch profits tax.

As discussed above in Article X.C.2.a, the U.S. federal income tax obligations of a Non-U.S. Holder with respect to its beneficial interest in the Settlement Trust would not be dependent on the Settlement Trust distributing any Commercial Tort Proceeds or other proceeds. Non-U.S. Holders would be required to report on their U.S. federal income tax returns their share of the Settlement Trust's items of income, gain, loss, deduction, and credit in the year recognized by the Settlement Trust. This requirement may result in such Holders being subject to tax on their allocable share of the Settlement Trust's taxable income prior to receiving any cash distributions from the Settlement Trust to the extent of income generated by the Settlement Trust Assets. In addition, if the Settlement Trust were deemed to be engaged in a U.S. trade or business, each Non-U.S. Holder would generally be required to file a U.S. federal income tax return (even if no income allocated to the non-U.S. Holder is ECI), and the Settlement Trust would be required to withhold U.S. federal income tax with respect to the Non-U.S. Holder's allocable share of the Settlement Trust's income that is ECI. ***Accordingly, each Non-U.S. Holder is urged to consult with its tax advisors concerning the tax consequences resulting from owning beneficial interests in the Settlement Trust***.

4. FIRPTA.

Special U.S. federal income taxation and reporting rules may apply if Dream Newco Parent will be or subsequently becomes a U.S. real property holding corporation ("USRPHC") under the Foreign Investment in Real Property Tax Act ("FIRPTA"). In particular, if, at any time within the shorter of the five-year period preceding a Non-U.S. Holder's direct disposition of New Interests and such Holder's holding period for the New Interests, Dream Newco Parent is or has been a USRPHC for U.S. federal income tax purposes then such Holder could be subject to withholding tax (currently at a rate of 15 percent) on the gross amount received upon the disposition of its shares of New Interests and could be subject to U.S. federal income taxation on such transaction at regular tax rates for U.S. Persons. Certain exceptions to such withholding and U.S. federal income taxation consequences apply for stock directly held by a Non-U.S. Holder that is regularly traded on an established securities market.

The Debtors have not performed a formal analysis regarding whether Dream Newco Parent will be a USRPHC as of the Effective Date.

If the New Interests are considered regularly traded on an established securities market, gain on a disposition of New Interests by a Non-U.S. Holder will not be subject to withholding under FIRPTA, unless the Non-U.S. Holder owns directly or constructively 5 percent or more of the New Interests during a specified period. Whether and when the New Interests of Dream Newco Parent will be considered regularly traded on an established securities market will depend, in part, on whether a market develops in such equity, and cannot currently be determined. The FIRPTA provisions will also not apply if, at the time of a disposition, the corporation does not directly or indirectly hold any "United States real property interests" and it has disposed of any such interests it directly or indirectly owned in one or more fully taxable transactions.

5. FATCA.

Under legislation commonly referred to as the Foreign Account Tax Compliance Act ("FATCA"), foreign financial institutions and certain other foreign entities must report certain information with respect to their U.S. account holders and investors or be subject to withholding at a rate of 30% on the receipt of "withholdable payments." For this purpose, "withholdable payments" are generally U.S. source payments of fixed or determinable, annual or periodical income, and, subject to the paragraph immediately below, also include gross proceeds from the sale of any property of a type which can produce U.S. source interest or dividends. FATCA withholding will apply even if the applicable payment would not otherwise be subject to U.S. federal nonresident withholding.

FATCA withholding rules were previously scheduled to take effect on January 1, 2019, that would have applied to payments of gross proceeds from the sale or other disposition of property of a type that can produce U.S. source interest or dividends. However, such withholding has effectively been suspended under proposed Treasury Regulations that may be relied on until final regulations become effective. Nonetheless, there can be no assurance that a similar rule will not go into effect in the future. Each Non-U.S. Holder should consult its own tax advisor regarding the possible impact of FATCA withholding rules on such Non-U.S. Holder.

6. Information Reporting and Back-Up Withholding.

The Debtors and applicable withholding agents will withhold all amounts required by law to be withheld from payments of interest and dividends, whether in connection with distributions under the Plan or in connection with payments made on account of consideration received pursuant to the Plan, and will comply with all applicable information reporting requirements. The IRS may make the information returns reporting such interest and dividends and withholding available to the tax authorities in the country in which a Non-U.S. Holder is resident. In general, information reporting requirements may apply to distributions or payments under the Plan. Additionally, under the backup withholding rules, a Holder may be subject to backup withholding (currently at a rate of 24%) with respect to distributions or payments made pursuant to the Plan unless that Holder: (a) comes within certain exempt categories (which generally include corporations) and, when required, demonstrates that fact or (b) timely provides a correct taxpayer identification number and certifies under penalty of perjury that the taxpayer identification number is correct and that the Holder is not subject to backup withholding (generally in the form of a properly executed IRS Form W-9 for a U.S. Holder, and, for a Non-U.S. Holder, in the form of a properly executed applicable IRS Form W-8) or otherwise establishes such Non-U.S. Holder's eligibility for an exemption. Backup withholding is not an additional tax but is, instead, an advance payment that may be refunded to the extent it results in an overpayment of tax; provided that the required information is timely provided to the IRS.

In addition, from an information reporting perspective, Treasury Regulations generally require disclosure by a taxpayer on its U.S. federal income tax return of certain types of transactions in which the taxpayer participated, including, among other types of transactions, certain transactions that result in the taxpayer's claiming a loss in excess of specified thresholds. Holders subject to the Plan are urged to consult their tax advisors regarding these regulations and whether the transactions contemplated by the Plan would be subject to these regulations and require disclosure on the Holders' tax returns.

THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN ARE COMPLEX. THE FOREGOING SUMMARY DOES NOT DISCUSS ALL ASPECTS OF U.S. FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR HOLDER IN LIGHT OF SUCH HOLDER'S CIRCUMSTANCES AND INCOME TAX SITUATION. ALL HOLDERS OF CLAIMS AND INTERESTS SHOULD CONSULT WITH THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE TRANSACTIONS CONTEMPLATED BY THE PLAN, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL, OR NON-U.S. TAX LAWS, AND OF ANY CHANGE IN APPLICABLE TAX LAWS.

ARTICLE XI.
CERTAIN CANADIAN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

A. *Introduction*.

The following summary describes, as of the date hereof, certain Canadian federal income tax consequences of the consummation of the Plan to Holders of Allowed General Unsecured Claims against Hollander Canada ("Canadian Class 5 Claims") who, at all relevant times, for purposes of the *Income Tax Act* (Canada) (the "Tax Act"), (1) hold all of their Claims as capital property, (2) dispose, or are deemed to have disposed, of their Claims pursuant to the Plan, and (3) deal at arm's length and are not affiliated with the Debtors (each, a "Claim Holder"). Generally, the Canadian Class 5 Claims will be considered capital property to a Claim Holder; provided the Claim Holder does not hold such Claims in the course of carrying on a business, or as part of an adventure or concern in the nature of trade. Holders should consult their own tax advisors to determine whether their Canadian Class 5 Claims are held as capital property.

This summary is based on the facts set out in this Disclosure Statement, the assumptions set out herein, the current provisions of the Tax Act in force as of the date hereof and our understanding of the current administrative policies and assessing practices of the Canada Revenue Agency (the "CRA") published in writing prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "Tax Proposals") and assumes that the Tax Proposals will be enacted in the form proposed. No assurance can be given that the Tax Proposals will be enacted in the form proposed, or at all. This summary does not otherwise take into account or anticipate any other changes in law, whether by judicial, governmental or legislative decision or action or changes in the administrative policies or assessing practices of the CRA, nor does it take into account provincial, territorial, or foreign income tax legislation or considerations, which may differ materially from those described in this summary.

This summary does not apply to a Claim Holder (i) that is a "financial institution" for purposes of certain rules (referred to as the mark-to-market rules) applicable to securities held by financial institutions, (ii) an interest which is a "tax shelter investment," (iii) that is a "specified financial institution," (iv) that reports its "Canadian tax results" in a currency other than Canadian currency, (v) that is exempt from tax under Part I of the Tax Act, (vi) that uses a cash method of accounting to compute its income for purposes of the Tax Act, or (vii) that has entered into, with respect to the Canadian Class 5 Claims, a "derivative forward agreement," each as defined in the Tax Act. Such Holders should consult their own tax advisors.

For purposes of the Tax Act, amounts relating to or in respect of the Canadian Class 5 Claims, including the adjusted cost base thereof, any proceeds of disposition and any interest, must be reported in Canadian dollars. Any amount denominated in U.S. dollars must be converted into Canadian dollars, generally at the exchange rate quoted by the Bank of Canada on the date the amount first arose. The amount of any interest and any capital gain or capital loss of a Claim Holder may be affected by fluctuations in Canadian dollar exchange rates.

This summary is of a general nature only and is not, and is not intended to be, nor should it be construed to be, legal, valuation, or tax advice or representations to any particular Claim Holder. This summary is not exhaustive of all Canadian federal income or other tax considerations and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Claim Holder. Accordingly, all Claim Holders are urged to consult their own legal and tax advisors with respect to the income and other tax consequences to them having regard to their particular circumstances, including the application and effect of

the income and other tax laws of any country, province, or other jurisdiction that may be applicable to the Claim Holder.

B. *Claim Holders Resident in Canada*.

This portion of the summary is applicable to a Claim Holder who, at all relevant times, for purposes of the Tax Act is, or is deemed to be, resident in Canada (a "Resident Holder").

Pursuant to the Plan, in exchange for the full and final satisfaction, compromise, settlement, release, and discharge of the Canadian Class 5 Claims, on the Effective Date, each Holder thereof will receive, except to the extent that it agrees to less favorable treatment, (i) its Pro Rata share of the Last Out Loans Turnover Amounts, (ii) its Pro Rata share of Commercial Tort Proceeds, if any and (iii) either (a) its Pro Rata share of the Future Sale Consideration, if any, plus either its Pro Rata share of the GUC Reorganization Recovery Pool or a Vendor Support Incentive payment, as applicable, or (b) its Pro Rata share of the GUC Sale Transaction Recovery Pool and the Excess Distributable Cash, in any case up to the full amount of such Holder's Class 5 Claims. Any consideration received in exchange for the Canadian Class 5 Claims will be allocated first to the principal amount of such Claims and then, to the extent the total consideration exceeds the principal amount of a Holder's Canadian Class 5 Claims, to any accrued and unpaid interest.

A Resident Holder of Canadian Class 5 Claims will be considered to have disposed of its Canadian Class 5 Claims on the Effective Date in exchange for proceeds of disposition equal to the aggregate fair market value of (i) any cash to be paid to such Resident Holder under the Plan on the Effective Date and (ii) the Resident Holder's right to receive further payments under the Plan after the Effective Date (collectively, "Future Payment Rights"), including the right to receive a Resident Holder's Pro Rata portion of Commercial Tort Proceeds, Future Sale Consideration, and Vendor Support Incentive, if applicable, in each case as allocated to the principal amount of its Canadian Class 5 Claims. In general terms, a Resident Holder will realize a capital gain (or capital loss) on the settlement of the Canadian Class 5 Claims equal to the amount by which the aggregate proceeds of disposition (if any) of such Resident Holder (as determined above), less any reasonable costs of disposition, exceed (or are less than) the adjusted cost base to the Resident Holder of its Canadian Class 5 Claims.

In general, one-half of any capital gain (a "Taxable Capital Gain") realized by a Resident Holder in a taxation year will be included in the Resident Holder's income in the year and one-half of the amount of any capital loss (an "Allowable Capital Loss") realized by a Resident Holder in a taxation year is required to be deducted from Taxable Capital Gains realized by the Resident Holder in the year. Allowable Capital Losses in excess of Taxable Capital Gains for a taxation year may be carried back three years or forward indefinitely, against net Taxable Capital Gains realized in such years, subject to the rules in the Tax Act. A Resident Holder that is throughout the taxation year a "Canadian-controlled private corporation," as defined in the Tax Act, may be liable to pay a refundable tax on its "aggregate investment income," as defined in the Tax Act, which is defined to include Taxable Capital Gains. A Resident Holder that is an individual who realizes a capital gain may be subject to minimum tax under the Tax Act. Such Resident Holders should consult their own tax advisors having regard to their own particular circumstances.

The cost to a Resident Holder of a Future Payment Right will generally be equal to the fair market value of such Future Payment Right on the Effective Date, and a Resident Holder will be considered to dispose of a Future Payment Right when, among other things, the rights therein are settled pursuant to the terms of the Plan. A Resident Holder may recognize a capital gain or a capital loss on any disposition of a Future Payment Right. Resident Holders are urged to consult their own tax advisors with respect to the Canadian tax consequences of holding and disposing of any Future Payment Rights.

A Resident Holder will be required to include in income the amount of any interest accrued or deemed to accrue on the Canadian Class 5 Claims up to the Effective Date, or that becomes receivable or is received on or before the Effective Date, to the extent that such amounts have not otherwise been included in the Resident Holder's income for the year or a preceding taxation year. Where a Resident Holder is required to include an amount in income on account of interest on the Canadian Class 5 Claims, the Resident Holder should be entitled to deduct from its income for the year an amount equal to any accrued and unpaid interest in respect of the Canadian Class 5

Claims that was previously included in the Resident Holder's income to the extent that such interest is settled and extinguished for no consideration as part of the Plan.

C. *Claim Holders Not Resident in Canada*.

This portion of the summary is generally applicable to a Claim Holder who, at all relevant times, for purposes of the Tax Act, (i) is not, and is not deemed to be, resident in Canada, (ii) does not use or hold, and is not deemed to use or hold, its Canadian Class 5 Claims in a business carried on in Canada, and (iii) does not render services in Canada to any of the Debtors or the Reorganized Debtors (a "Non-Resident Holder"). This part of the summary is not applicable to Non-Resident Holders that are insurers carrying on an insurance business in Canada and elsewhere or an authorized foreign bank that carries on a Canadian banking business. This portion of the summary assumes that no amount paid to a Non-Resident Holder by a Debtor that is not resident in Canada for purposes of the Tax Act is deductible in computing such Debtor's income earned in Canada for purposes of the Tax Act.

A Non-Resident Holder of Canadian Class 5 Claims will be considered to have disposed of its Canadian Class 5 Claims on the Effective Date in exchange for proceeds of disposition equal to the aggregate fair market value of (i) any cash to be paid to such Non-Resident Holder under the Plan on the Effective Date and (ii) any Future Payment Rights of such Non-Resident Holder, in each case as allocated to the principal amount of its Canadian Class 5 Claims. A Non-Resident Holder will be considered to dispose of a Future Payment Right when, among other things, the rights therein are settled pursuant to the terms of the Plan. A Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized on the disposition of its Canadian Class 5 Claims or Future Payment Right, and will not be able to deduct the allowable portion of any capital loss realized on the disposition of its Canadian Class 5 Claims or Future Payment Right, unless the Canadian Class 5 Claims or Future Payment Rights constitute "taxable Canadian property" of the Non-Resident Holder at the time of disposition, as defined in the Tax Act. Canadian Class 5 Claims and Future Payment Rights generally should not constitute taxable Canadian property of a Non-Resident Holder.

A Non-Resident Holder should not be subject to non-resident withholding tax in respect of any accrued and unpaid interest that is paid in respect of the Canadian Class 5 Claims. In general, the application of non-resident withholding tax to amounts paid by a Canadian-resident Debtor to a Non-Resident Holder in satisfaction of the principal amount of Canadian Class 5 Claims or the Future Payment Rights will depend on the nature and character of the Holder's Canadian Class 5 Claims or Future Payment Rights. In particular, any amount received by a Non-Resident Holder from a Canadian-resident Debtor in satisfaction of the principal amount of Canadian Class 5 Claims will be subject to non-resident withholding tax to the same extent as if such Canadian Class 5 Claims were satisfied in exchange for cash outside the context of the Plan. No non-resident withholding tax will apply in respect of any amount paid to a Non-Resident Holder by a Debtor that is not resident in Canada for purposes of the Tax Act pursuant to the Future Payment Rights.

ARTICLE XII.
RECOMMENDATION OF THE DEBTORS

In the opinion of the Debtors, the Plan is preferable to the alternatives described in this Disclosure Statement because it provides for a larger distribution to the Holders of Allowed Claims and Allowed Interests than would otherwise result in a liquidation under chapter 7 of the Bankruptcy Code. In addition, any alternative other than Confirmation of the Plan could result in extensive delays and increased administrative expenses resulting in smaller distributions to Holders of Allowed Claims and Allowed Interests than proposed under the Plan. Accordingly, the Debtors recommend that Holders of Claims entitled to vote on the Plan support Confirmation of the Plan and vote to accept the Plan.

Dated: July 25, 2019

HOLLANDER SLEEP PRODUCTS, LLC
on behalf of itself and its debtor affiliates

/s/ Marc Pfefferle

Marc Pfefferle
Chief Executive Officer
Hollander Sleep Products, LLC

Exhibit A

Plan

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
HOLLANDER SLEEP PRODUCTS, LLC, *et al.*,[1]	)	Case No. 19-11608 (MEW)
Debtors.	)	(Jointly Administered)

DEBTORS' FIRST AMENDED JOINT PLAN OF REORGANIZATION PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE

Joshua A. Sussberg, P.C.
Christopher T. Greco, P.C.
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Dated: July 25, 2019

Nothing contained herein shall constitute an offer, acceptance, or a legally binding obligation of the Debtors or any other party in interest and this Plan is subject to approval by the Bankruptcy Court and other customary conditions. This Plan is not an offer with respect to any securities. YOU SHOULD NOT RELY ON THE INFORMATION CONTAINED IN, OR THE TERMS OF, THIS PLAN FOR ANY PURPOSE PRIOR TO THE CONFIRMATION OF THIS PLAN BY THE BANKRUPTCY COURT.

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors' service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

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INTRODUCTION

Hollander Sleep Products, LLC and its Debtor affiliates in the above-captioned Chapter 11 Cases propose this joint chapter 11 plan pursuant to chapter 11 of the Bankruptcy Code. Capitalized terms used and not otherwise defined shall have the meanings ascribed to such terms in Article I.A. This Plan constitutes a separate chapter 11 plan for each Debtor and, unless otherwise set forth herein, the classifications and treatment of Claims and Interests apply to each individual Debtor.

Holders of Claims and Interests should refer to the Disclosure Statement for a discussion of the Debtors' history, businesses, assets, results of operations, and historical financial information, projections, and future operations, as well as a summary and description of this Plan and certain related matters. Each Debtor is a proponent of the Plan contained herein within the meaning of section 1129 of the Bankruptcy Code.

ARTICLE I.
DEFINED TERMS, RULES OF INTERPRETATION, COMPUTATION OF TIME AND GOVERNING LAW

A. Defined Terms

As used in this Plan, capitalized terms have the meanings ascribed to them below.

1. "***ABL Agent***" means Wells Fargo Bank, National Association, in its capacity as agent under the ABL Credit Agreement, solely in its capacity as such.

2. "***ABL Claims***" means any and all Claims relating to, arising out of, arising under, or arising in connection with the ABL Credit Facility.

3. "***ABL Credit Agreement***" means that certain Third Amended and Restated Credit Agreement, dated as of June 9, 2017, by and among Hollander Home Fashions, LLC, Hollander Sleep Products, LLC, Hollander Sleep Products Kentucky, LLC, Hollander Sleep Products Canada Limited, Pacific Coast Feather Company, and Pacific Coast Feather Cushion Co., as borrowers, Dream II, as parent, the lenders party thereto, and the ABL Agent, as modified and amended on August 31, 2017, October 19, 2018, and November 27, 2018, and as may be further amended, modified, restated, or supplemented from time to time.

4. "***ABL Credit Facility***" means, collectively, the senior secured revolving credit facility, swing loans, and letters of credit provided for by the ABL Credit Agreement.

5. "***ABL Lenders***" means the banks, financial institutions, and other lenders party to the ABL Credit Agreement from time to time, each letter of credit issuer thereunder, and each bank product provider thereunder, each solely in their capacity as such.

6. "***ABL Priority Collateral***" has the meaning set forth in the DIP Intercreditor Agreement.

7. "***Administration Charge***" means the charge granted by the Canadian Court in the Recognition Proceedings on the Canadian Assets to secure the professional fees and disbursements of the Information Officer and its counsel, in each case incurred in respect of the Recognition Proceedings.

8. "***Administrative Claim***" means a Claim for the costs and expenses of administration of the Estates under sections 503(b), 507(a)(2), 507(b), or 1114(e)(2) of the Bankruptcy Code, including: (a) the actual and necessary costs and expenses incurred on or after the Petition Date of preserving the Estates and operating the businesses of the Debtors; (b) Allowed Professional Fee Claims in the Chapter 11 Cases; and (c) amounts owing pursuant to the DIP Orders.

9. "***Administrative Claim Bar Date***" means the deadline for filing requests for payment of Administrative Claims (other than (x) Professional Fee Claims, (y) Administrative Claims arising in the ordinary

course of business, or (z) Claims arising pursuant to section 503(b)(9) of the Bankruptcy Code, which are required to be filed in accordance with the Bar Date Order), which shall be 30 days after the Effective Date.

10. "***Administrative Claim Objection Bar Date***" means the deadline for filing objections to requests for payment of Administrative Claims (other than requests for payment of Professional Fee Claims), which shall be the later of (a) 60 days after the Effective Date and (b) 60 days after the Filing of the applicable request for payment of the Administrative Claims; *provided* that the Administrative Claim Objection Bar Date may be extended by the Bankruptcy Court after notice and a hearing.

11. "***Affiliate***" has the meaning set forth in section 101(2) of the Bankruptcy Code.

12. "***Allowed***" means with respect to any Claim, except as otherwise provided in the Plan: (a) a Claim that is evidenced by a Proof of Claim Filed by the Bar Date (or for which Claim under the Plan, the Bankruptcy Code, or pursuant to a Final Order a Proof of Claim is not or shall not be required to be Filed); (b) a Claim that is listed in the Schedules as not contingent, not unliquidated, and not disputed, and for which no Proof of Claim, as applicable, has been timely Filed; or (c) a Claim Allowed pursuant to the Plan or a Final Order of the Bankruptcy Court; *provided* that with respect to a Claim described in clauses (a) and (b) above, such Claim shall be considered Allowed only if and to the extent that, with respect to such Claim, no objection to the allowance thereof has been interposed within the applicable period of time fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, or such an objection is so interposed and the Claim, as applicable, shall have been Allowed by a Final Order. Except as otherwise specified in the Plan or any Final Order, and except for any Claim that is Secured by property of a value in excess of the principal amount of such Claims, the amount of an Allowed Claim shall not include interest on such Claim from and after the Petition Date. For purposes of determining the amount of an Allowed Claim, there shall be deducted therefrom an amount equal to the amount of any Claim that the Debtors may hold against the Holder thereof, to the extent such Claim may be offset, recouped, or otherwise reduced under applicable law. Any Claim that has been or is hereafter listed in the Schedules as contingent, unliquidated, or disputed, and for which no Proof of Claim is or has been timely Filed, is not considered Allowed and shall be expunged without further action by the Debtors and without further notice to any party or action, approval, or order of the Bankruptcy Court. Notwithstanding anything to the contrary herein, no Claim of any Entity subject to section 502(d) of the Bankruptcy Code shall be deemed Allowed unless and until such Entity pays in full the amount that it owes such Debtor or Reorganized Debtor, as applicable. For the avoidance of doubt: (x) a Proof of Claim Filed after the Bar Date shall not be Allowed for any purposes whatsoever absent entry of a Final Order allowing such late-filed Claim; and (y) the Debtors may affirmatively determine to deem Unimpaired Claims Allowed to the same extent such Claims would be allowed under applicable non-bankruptcy law. "Allow" and "Allowing" shall have correlative meanings.

13. "***Auction***" means the auction, if any, for some or all of the Debtors' assets, conducted in accordance with the Bidding Procedures.

14. "***Avoidance Actions***" mean any and all avoidance, recovery, or subordination actions or remedies that may be brought by or on behalf of the Debtors or their Estates under the Bankruptcy Code, CCAA, BIA, or applicable non-bankruptcy law, including actions or remedies under sections 544, 547, 548, 549, 550, 551, 552, or 553 of the Bankruptcy Code.

15. "***Bankruptcy Code***" means title 11 of the United States Code, 11 U.S.C. §§ 100–1532, as now in effect or hereafter amended, and the rules and regulations promulgated thereunder.

16. "***Bankruptcy Court***" means the United States Bankruptcy Court for the Southern District of New York, having jurisdiction over the Chapter 11 Cases and, to the extent of the withdrawal of reference under section 157 of the Judicial Code and/or the General Order of the District Court pursuant to section 151 of the Judicial Code, the United States District Court for the Southern District of New York.

17. "***Bankruptcy Rules***" means the Federal Rules of Bankruptcy Procedure, as applicable to the Chapter 11 Cases, promulgated under section 2075 of the Judicial Code and the general, local, and chambers rules of the Bankruptcy Court.

18. "***Bar Date Order***" means the *Order (A) Setting Bar Dates for Filing Proofs of Claim, (B) Approving Procedures for Submitting Proofs of Claim, (C) Approving Notice Thereof, and (D) Granting Related Relief* [Docket No. 120], entered by the Bankruptcy Court on June 21, 2019.

19. "***BIA***" means the Bankruptcy and Insolvency Act, R.S.C., 1985, c. B-3, as amended.

20. "***Bidding Procedures***" means the procedures governing the Auction and sale of all or substantially all of the Debtors' assets, as approved by the Bankruptcy Court and as may be amended from time to time in accordance with their terms.

21. "***Business Day***" means any day, other than a Saturday, Sunday, or "legal holiday" (as defined in Bankruptcy Rule 9006(a)(6)).

22. "***Canadian Assets***" means the assets, undertakings, and properties of Hollander Canada at the applicable time.

23. "***Canadian Court***" means the Ontario Superior Court of Justice (Commercial List).

24. "***Canadian Intercompany Claim***" means (i) the Claim of Hollander Canada in respect of the aggregate amount loaned by Hollander Canada to the Debtors other than Hollander Canada during the Chapter 11 Cases pursuant to and in accordance with the DIP Orders, *less* (ii) the aggregate amount reasonably incurred by the Debtors other than Hollander Canada during the Chapter 11 Cases in providing selling, general, and administrative services to Hollander Canada.

25. "***Cash***" or "***$***" means cash and cash equivalents, including bank deposits, checks, and other similar items in legal tender of the United States of America.

26. "***Causes of Action***" means any actions, claims, cross claims, third-party claims, interests, damages, controversies, remedies, causes of action, debts, judgments, demands, rights, actions, suits, obligations, liabilities, accounts, defenses, offsets, powers, privileges, licenses, liens, indemnities, guaranties, and franchises of any kind or character whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, contingent or non-contingent, liquidated or unliquidated, secured or unsecured, assertable directly or derivatively, matured or unmatured, suspected or unsuspected, disputed or undisputed, whether arising before, on, or after the Petition Date, in contract or in tort, in law or in equity, or pursuant to any other theory of law or otherwise. For the avoidance of doubt, "Causes of Action" include: (a) any rights of setoff, counterclaim, or recoupment and any claims under contracts or for breaches of duties imposed by law or in equity; (b) the right to object to or otherwise contest Claims or Interests; (c) claims pursuant to section 362 or chapter 5 of the Bankruptcy Code; (d) any claims or defenses, including fraud, mistake, duress, and usury, and any other defenses set forth in section 558 of the Bankruptcy Code; and (e) any state law fraudulent transfer claim.

27. "***CCAA***" means Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended.

28. "***Chapter 11 Cases***" means (a) when used with reference to a particular Debtor, the case pending for that Debtor under chapter 11 of the Bankruptcy Code and (b) when used with reference to all Debtors, the procedurally consolidated chapter 11 cases pending for the Debtors in the Bankruptcy Court.

29. "***Claim***" means any claim, as such term is defined in section 101(5) of the Bankruptcy Code, or as defined in the CCAA, as applicable, against a Debtor or an Estate.

30. "***Claims Bar Date***" means the dates established by the Bankruptcy Court by which Proofs of Claim must have been Filed with respect to such Claims (other than Claims required to be Filed by the Administrative Claims Bar Date), pursuant to (a) the Bar Date Order, (b) a Final Order of the Bankruptcy Court, or (c) the Plan.

31. "***Claims Register***" means the official register of Claims maintained by the Notice and Claims Agent.

32. "***Class***" means a class of Claims or Interests as set forth in Article III of the Plan in accordance with section 1122(a) of the Bankruptcy Code.

33. "***Collective Bargaining Agreement***" means those certain Collective Bargaining Agreements by and between Debtor Hollander Sleep Products, LLC, on the one hand, and, as applicable, the Southwest Regional Joint Board Workers United, the Southern Regional Joint Board of Workers United, SEIU on Behalf of Local 2420, the Mid-Atlantic Joint Board of Workers United, or the Workers United, Western States Regional Joint Board, on the other hand, as the same may have been amended from time to time.

34. "***Commercial Tort Claims***" means any commercial tort claims or Causes of Action owned by the Debtors arising on or before the Petition Date that remained outstanding as of the Petition Date.

35. "***Commercial Tort Proceeds***" means the Cash proceeds, if any, of any Commercial Tort Claims, *less* any fees, expenses, and disbursements of the Plan Administrator in excess of the Plan Administrator Budget, including any fees, expenses, and disbursements associated with the prosecution of Commercial Tort Claims, if any.

36. "***Committee***" means the statutory committee of unsecured creditors of the Debtors, appointed in the Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code by the U.S. Trustee on May 30, 2019, pursuant to the *Notice of Appointment of Committee of Unsecured Creditors* [Docket No. 61].

37. "***Committee Advisors***" means, collectively, Pachulski Stang Ziehl & Jones LLP, Alvarez & Marsal North America, LLC, and Gowling WLG.

38. "***Committee Monthly Fee Cap***" means, the sum of $300,000 per month for the period commencing on August 1, 2019, through the Effective Date which amount represents the maximum aggregate amount of (a) professional fees and expenses that may be incurred by professionals retained by the Committee in the Chapter 11 Cases (including the Committee Advisors) for which reimbursement is sought and (b) expenses incurred by the members of the Committee for which reimbursement is sought, each pursuant to and in accordance with section 1103 of the Bankruptcy Code, *provided* that any unused amount from a prior month may be used for fees and expenses incurred in a subsequent month on a rolling basis.

39. "***Confirmation***" means the Bankruptcy Court's entry of the Confirmation Order on the docket of the Chapter 11 Cases within the meaning of Bankruptcy Rules 5003 and 9021.

40. "***Confirmation Date***" means the date upon which the Bankruptcy Court enters the Confirmation Order on the docket of the Chapter 11 Cases, within the meaning of Bankruptcy Rules 5003 and 9021.

41. "***Confirmation Hearing***" means the hearing held by the Bankruptcy Court to consider Confirmation of the Plan pursuant to sections 1128 and 1129 of the Bankruptcy Code, including any adjournments thereof.

42. "***Confirmation Order***" means the order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code, which order must be reasonably acceptable to the Debtors, the Committee, the Required Term Lenders, the Term Loan Agent, the DIP ABL Agent (solely with respect to the economic and non-economic treatment of the DIP ABL Agent and DIP ABL Lenders pursuant to such order), the ABL Agent (solely with respect to the economic and non-economic treatment of the ABL Agent and ABL Lenders pursuant to such order), and the Sponsor.

43. "***Consenting Term Loan Lenders***" means the Term Loan Lenders that are party to the RSA, together with their respective successors and permitted assigns and any subsequent Term Loan Lenders that become party to the RSA in accordance with the terms of the RSA.

44. "***Consummation***" means the occurrence of the Effective Date.

45. "***D&O Liability Insurance Policies***" means, collectively, (a) all insurance policies (including any "tail policy") of any of the Debtors for current or former directors', members', trustees', managers', and officers'

liability as of the Petition Date, and (b) all insurance policies (including any "tail policy") for directors', members', trustees', managers', and officers' liability maintained by the Debtors, the Estates, or the Reorganized Debtors as of the Effective Date.

46. "***Debtor***" means one or more of the Debtors, as debtors and debtors in possession, each in its respective individual capacity as a debtor and debtor in possession in the Chapter 11 Cases.

47. "***Debtor Release***" means the release given on behalf of the Debtors and their Estates to the Released Parties as set forth in Article VIII.C of the Plan

48. "***Debtors***" means, collectively: (a) Dream II, (b) Hollander Home Fashions Holdings, LLC, (c) Hollander Sleep Products, LLC, (d) Hollander Sleep Products Kentucky, LLC, (e) Pacific Coast Feather, LLC, (f) Pacific Coast Feather Cushion, LLC, and (g) Hollander Sleep Products Canada Limited.

49. "***DIP ABL Agent***" means the administrative agent under the DIP ABL Credit Agreement, solely in its capacity as such.

50. "***DIP ABL Claims***" means any and all Claims derived from or based upon the DIP ABL Credit Facility, including all Claims for any fees and expenses of the DIP ABL Agent.

51. "***DIP ABL Credit Agreement***" means that certain debtor-in-possession credit agreement by and among the Debtors, the DIP ABL Agent, and the DIP ABL Lenders, as may be amended, modified, restated, or supplemented from time to time.

52. "***DIP ABL Credit Facility***" means the senior secured revolving credit facility provided for under the DIP ABL Credit Agreement.

53. "***DIP ABL Lenders***" means the banks, financial institutions, and other lenders party to the DIP ABL Credit Agreement from time to time, each letter of credit issuer thereunder, and each bank product provider thereunder, each solely in their capacity as such.

54. "***DIP ABL Order***" means collectively, the interim and final orders entered by the Bankruptcy Court authorizing the Debtors to enter into the DIP ABL Credit Agreement and incur postpetition obligations thereunder.

55. "***DIP Agents***" means collectively, the DIP ABL Agent and the DIP Term Loan Agent.

56. "***DIP Claims***" means any and all Claims arising under or related to the DIP Facilities, including the Last Out DIP Loan Claims.

57. "***DIP Credit Agreements***" means collectively, the DIP ABL Credit Agreement and the DIP Term Loan Credit Agreement.

58. "***DIP Facilities***" means the DIP ABL Credit Facility and the DIP Term Loan Facility.

59. "***DIP Intercreditor Agreement***" means the amended and restated intercreditor agreement, by and among the ABL Agent and the Term Loan Agent, which amended and restated the prepetition intercreditor agreement in its entirety, and is binding and enforceable against the Borrowers (as such term is defined in the DIP Orders), the other "Grantors" thereunder, the Prepetition Secured Parties, and the DIP Lenders in accordance with its terms.

60. "***DIP Lenders***" means the banks, financial institutions, and other lenders party to the DIP Credit Agreements from time to time and the bank product providers thereunder.

61. "***DIP Orders***" means collectively, the DIP ABL Order and the DIP Term Loan Order.

62. "***DIP Term Loan Agent***" means the administrative agent under the DIP Term Loan Credit Agreement, solely in its capacity as such.

63. "***DIP Term Loan Claims***" means any and all Claims derived from or based upon the DIP Term Loan Credit Facility, including all Claims for any fees and expenses of the DIP Term Loan Agent.

64. "***DIP Term Loan Credit Agreement***" means that certain debtor-in-possession credit agreement by and among the Debtors, the DIP Term Loan Agent, and the DIP Term Loan Lenders, as may be amended, modified, restated, or supplemented from time to time.

65. "***DIP Term Loan Credit Facility***" means the credit facility provided for under the DIP Term Loan Credit Agreement.

66. "***DIP Term Loan Debt Consideration***" means $28 million of the Exit Term Loan Facility provided to the DIP Term Loan Lenders in consideration of the DIP Term Loan Claims (in addition to any other consideration provided herein).

67. "***DIP Term Loan Documents***" means the DIP Term Loan Credit Agreement and all other agreements, documents, and instruments related thereto, including any guaranty agreements, pledge and collateral agreements, intercreditor agreements, and other security agreements, as may be amended, modified, restated, or supplemented from time to time.

68. "***DIP Term Loan Lenders***" means the banks, financial institutions, and other lenders party to the DIP Term Loan Credit Agreement from time to time, each solely in their capacity as such.

69. "***DIP Term Loan Order***" means collectively, the interim and final orders entered by the Bankruptcy Court authorizing the Debtors to enter into the DIP Term Loan Credit Agreement and incur postpetition obligations thereunder.

70. "***Disbursing Agent***" means, as applicable, the Reorganized Debtors or the Plan Administrator (as applicable) or any Entity or Entities selected by the Debtors, the Reorganized Debtors, or the Plan Administrator to make or facilitate distributions contemplated under the Plan (in consultation with the Term Loan Agent with respect to distributions made to the Holders of Term Loan Claims).

71. "***Disclosure Statement***" means the *Disclosure Statement for the Debtors' First Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code*, dated as of July 21, 2019, as may be amended, supplemented, or modified from time to time, including all exhibits and schedules thereto and references therein that relate to the Plan, that is prepared and distributed in accordance with the Bankruptcy Code, the Bankruptcy Rules, and any other applicable law and approved by the Bankruptcy Court pursuant to section 1125 of the Bankruptcy Code, which must be reasonably acceptable to the Debtors, the Committee, the Required Term Lenders, the Term Loan Agent, the ABL Agent, and the Sponsor.

72. "***Disputed***" means, with respect to any Claim or Interest, any Claim or Interest that is not yet Allowed.

73. "***Distribution Record Date***" means the date for determining which Holders of Allowed Claims or Allowed Interests are eligible to receive distributions under the Plan, which date shall be the Effective Date or such other date as is designated in a Final Order of the Bankruptcy Court.

74. "***Dream II***" means Dream II Holdings, LLC.

75. "***Effective Date***" means the date that is the first Business Day after the Confirmation Date on which (a) the conditions to the occurrence of the Effective Date have been satisfied or waived pursuant to Article IX.A and Article IX.B of the Plan and (b) no stay of the Confirmation Order is in effect, which shall be the day Consummation occurs.

76. "***Entity***" means an entity as such term is defined in section 101(15) of the Bankruptcy Code.

77. "***Estate***" means, as to each Debtor, the estate created on the Petition Date for the Debtor in its Chapter 11 Case pursuant to section 541 of the Bankruptcy Code and all property (as defined in section 541 of the Bankruptcy Code) acquired by the Debtors after the Petition Date through the Effective Date.

78. "***Excess Distributable Cash***" means, only in the event that the Winning Bidder is an Entity other than the Term Loan Lenders, any Cash proceeds of a Sale Transaction in excess of amounts necessary to satisfy the Plan Administrator Budget and all Claims senior in priority to General Unsecured Claims, including the DIP Claims, the ABL Claims, and the Term Loan Claims, in full, in Cash, as provided herein.

79. "***Exculpated Party***" means collectively, and in each case solely in its capacity as such: (a) the Debtors; (b) the Reorganized Debtors; (c) the Committee and each of its respective members; (d) the DIP Agents; (e) the DIP Lenders; (f) the Put Purchasers; (g) the ABL Agent; (h) the ABL Lenders; (i) the Term Loan Agent; (j) the Term Loan Lenders; (k) the Exit Facility Agents; (l) the Exit Facility Lenders; (m) the Sponsor; (n) the parties to the RSA; and (o) with respect to each of the foregoing entities, such Entity and its current and former Affiliates, and such Entities' and their current Affiliates' directors, managers, officers, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, participants, successors, and assigns, subsidiaries, and each of their respective current and former equity holders, officers, directors, managers, principals, members, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, each in their capacity as such.

80. "***Executory Contract***" means a contract to which one or more of the Debtors is a party and that is subject to assumption or rejection under section 365 or 1123 of the Bankruptcy Code.

81. "***Exit ABL Agent***" means the administrative agent under the Exit ABL Credit Agreement, solely in its capacity as such.

82. "***Exit ABL Credit Agreement***" means that certain credit agreement by and among the Reorganized Debtors, the Exit ABL Agent, and the Exit ABL Lenders, which shall be reasonably acceptable to the Debtors, the Sponsor, the Term Loan Agent, the Required Term Lenders, the DIP ABL Agent (solely with respect to the economic and non-economic treatment of the DIP ABL Agent and DIP ABL Lenders pursuant to such agreement, if applicable), and the Committee (solely with respect to any provisions implementing the Last Out Loans Turnover) and which shall be included in the Plan Supplement.

83. "***Exit ABL Documents***" means the Exit ABL Credit Agreement and all other agreements, documents, and instruments related thereto, including any guaranty agreements, pledge and collateral agreements, intercreditor agreements, and other security agreements, which shall be reasonably acceptable to the Debtors, the Sponsor, the Term Loan Agent, the Required Term Lenders, the DIP ABL Agent (solely with respect to the economic and non-economic treatment of the DIP ABL Agent and DIP ABL Lenders pursuant to such documents, if applicable), and the Committee (solely with respect to any provisions implementing the Last Out Loans Turnover).

84. "***Exit ABL Facility***" means the asset-based revolving credit facility provided for under the Exit ABL Credit Agreement.

85. "***Exit ABL Lenders***" means the banks, financial institutions, and other lenders party to the Exit ABL Credit Agreement from time to time, each solely in their capacity as such.

86. "***Exit Facilities***" means, collectively, the Exit ABL Facility and the Exit Term Loan Facility.

87. "***Exit Facility Agents***" means, collectively, the Exit ABL Agent and the Exit Term Loan Agent.

88. "***Exit Facility Documents***" means, collectively, the Exit ABL Documents and the Exit Term Loan Documents.

89. "***Exit Facility Lenders***" means, collectively, the Exit ABL Lenders and the Exit Term Loan Lenders.

90. "***Exit Term Loan Agent***" means the administrative agent under the Exit Term Loan Credit Agreement, solely in its capacity as such.

91. "***Exit Term Loan Commitment Letter***" means that certain exit commitment letter, dated May 19, 2019, by and among the Debtors and certain Term Loan Lenders party thereto, which is attached to the RSA as Exhibit C.

92. "***Exit Term Loan Credit Agreement***" means that certain credit agreement by and among the Reorganized Debtors, the Exit Term Loan Agent, and the Exit Term Loan Lenders, which shall include terms and conditions consistent with the Exit Term Loan Commitment Letter, shall be reasonably acceptable to the parties thereto and the DIP ABL Agent (solely with respect to the economic and non-economic treatment of the DIP ABL Agent and DIP ABL Lenders pursuant to such agreement, if applicable), and shall be included in the Plan Supplement.

93. "***Exit Term Loan Documents***" means the Exit Term Loan Credit Agreement and all other agreements, documents, and instruments related thereto, including any guaranty agreements, pledge and collateral agreements, intercreditor agreements, and other security agreements, which shall be reasonably acceptable to the parties to the Exit Term Loan Credit Agreement and the DIP ABL Agent (solely with respect to the economic and non-economic treatment of the DIP ABL Agent and DIP ABL Lenders pursuant to such documents, if applicable).

94. "***Exit Term Loan Facility***" means the term loan credit facility in the aggregate principal amount of $58,000,000 (comprised of the New Money Exit Term Loan Facility and the DIP Term Loan Debt Consideration) provided for under the Exit Term Loan Credit Agreement.

95. "***Exit Term Loan Lenders***" means the banks, financial institutions, and other lenders party to the Exit Term Loan Credit Agreement from time to time, each solely in their capacity as such.

96. "***Federal Judgment Rate***" means the federal judgment interest rate in effect as of the Petition Date calculated as set forth in section 1961 of the Judicial Code.

97. "***File***," "***Filed***," or "***Filing***" means file, filed, or filing with the Bankruptcy Court or its authorized designee in the Chapter 11 Cases, or, with respect to the filing of a Proof of Claim or Proof of Interest, the Notice and Claims Agent.

98. "***Final Order***" means, as applicable, an order or judgment of the Bankruptcy Court or other court of competent jurisdiction with respect to the relevant subject matter, which has not been reversed, stayed, modified, or amended, and as to which the time to appeal, petition for certiorari, or move for reargument, reconsideration, or rehearing has expired and no appeal, petition for certiorari, or motion for reargument, reconsideration, or rehearing has been timely taken or filed, or as to which any appeal, petition for certiorari, or motion for reargument, reconsideration, or rehearing that has been taken or any petition for certiorari that has been or may be filed has been resolved by the highest court to which the order or judgment could be appealed or from which certiorari could be sought or the new trial, reargument, or rehearing shall have been denied, resulted in no modification of such order, or has otherwise been dismissed with prejudice; *provided*, *however*, that the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure or any comparable rule of the Bankruptcy Rules may be Filed relating to such order shall not cause such order to not be a Final Order.

99. "***Future Sale Consideration***" means, if the Term Loan Lenders are the Winning Bidder and the Reorganized Debtors are sold within 24 months of the Effective Date and the Term Loan Lenders receive more than a 30% recovery on account of their Term Loan Claims (based on the full amount of each such Holder's Term Loan Claim) (which shall be calculated after the repayment in full of the Exit Facilities (including, for the avoidance of doubt, the conversion of the DIP Term Loan Credit Facility into the Exit Term Loan Credit Facility), any Claims related to the foregoing, and any replacement or additional money raised to fund the Reorganized Debtors, the sources and uses of such sale transaction, and any other obligations repaid as part of such transaction), 5% of each dollar in excess thereof.

100. "***General Unsecured Claim***" means any Claim that is not Secured and is not (a) an Administrative Claim (including, for the avoidance of doubt, a Professional Fee Claim), (b) an Other Secured Claim, (c) a Priority Tax Claim, (d) an Other Priority Claim, (e) an ABL Claim, (f) a Term Loan Claim, or (g) a DIP Claim. Any Term Loan Deficiency Claim shall be waived and shall not constitute a General Unsecured Claim.

101. "***Governmental Unit***" has the meaning set forth in section 101(27) of the Bankruptcy Code.

102. "***GUC Reorganization Recovery Pool***" means if the Term Loan Lenders are the Winning Bidder, Cash in the amount of $500,000, *less* any fees, expenses, and disbursements of the Plan Administrator in excess of the Plan Administrator Budget, including any fees, expenses, and disbursements associated with the prosecution of Commercial Tort Claims, if any.

103. "***GUC Sale Transaction Recovery Pool***" means, in a Sale Transaction, from the first available proceeds of the Term Loan Priority Collateral: (a) Cash in the amount of $600,000, plus (b) if the Term Loan Lenders receive more than a 30% recovery on account of their Term Loan Claims (based on the full amount of each such Holder's Term Loan Claim), 5% of each dollar in excess thereof, plus (c) if the Term Loan Lenders receive more than a 50% recovery on account of their Term Loan Claims (based on the full amount of each such Holder's Term Loan Claim), 7.5% of each dollar in excess thereof, less (d) any fees, expenses, and disbursements of the Plan Administrator in excess of the Plan Administrator Budget, including any fees, expenses, disbursements associated with the prosecution of Commercial Tort Claims, if any.

104. "***Holder***" means an Entity holding a Claim or an Interest in any Debtor.

105. "***Hollander Canada***" means Hollander Sleep Products Canada Limited.

106. "***Impaired***" means, with respect to a Class of Claims or Interests, a Class of Claims or Interests that is impaired within the meaning of section 1124 of the Bankruptcy Code.

107. "***Indemnification Obligations***" means each of the Debtors' indemnification obligations in place as of the Effective Date, whether in the bylaws, certificates of incorporation or formation, limited liability company agreements, other organizational or formation documents, board resolutions, management or indemnification agreements, or employment or other contracts, for their current and former directors, officers, managers, members, employees, attorneys, accountants, investment bankers, and other professionals and agents of the Debtors.

108. "***Information Officer***" means the information officer appointed by the Canadian Court in the Recognition Proceedings.

109. "***Initial Distribution Date***" means the date on which the Disbursing Agent shall make initial distributions to holders of Claims and Interests pursuant to the Plan, which shall be as soon as reasonably practicable after the Effective Date but in no event shall be later than 30 days after the Effective Date.

110. "***Initial Minimum Overbid***" has the meaning given to such term in the Bidding Procedures.

111. "***Intercompany Claim***" means any Claim held by a Debtor or an Affiliate of a Debtor against another Debtor arising before the Petition Date and excludes, for the avoidance of doubt, the Canadian Intercompany Claim.

112. "***Intercompany Interest***" means an Interest in any Debtor, or a direct or indirect subsidiary of any Debtor, other than an Interest in Dream II.

113. "***Intercreditor Agreement***" means that certain Intercreditor Agreement, dated as of June 9, 2017, by and among the Prepetition Agents, as amended, restated, supplemented, or otherwise modified in accordance with its terms.

114. "***Interest***" means any equity security in a Debtor as defined in section 101(16) of the Bankruptcy Code, including all issued, unissued, authorized, or outstanding shares of capital stock of the Debtors and any other rights, options, warrants, stock appreciation rights, phantom stock rights, restricted stock units, redemption rights, repurchase rights, convertible, exercisable, or exchangeable securities, or other agreements, arrangements, or commitments of any character relating to, or whose value is related to, any such interest or other ownership interest in any Debtor whether or not arising under or in connection with any employment agreement and whether or not certificated, transferable, preferred, common, voting, or denominated "stock" or a similar security, including any Claims against any Debtor subject to subordination pursuant to section 510(b) of the Bankruptcy Code arising from or related to any of the foregoing.

115. "***Interim Compensation Order***" means the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Retained Professionals* [Docket No. 179], entered by the Bankruptcy Court on July 3, 2019, as the same may be modified by a Bankruptcy Court order approving the retention of a specific Professional or otherwise.

116. "***Judicial Code***" means title 28 of the United States Code, 28 U.S.C. §§ 1–4001, as now in effect or hereafter amended, and the rules and regulations promulgated thereunder.

117. "***Last Out DIP Loan Claims***" means any and all Claims derived from or based upon the Last Out DIP Loans.

118. "***Last Out DIP Loans***" means those Last Out Loans that upon entry of the final DIP ABL Order were deemed refinanced or replaced by, or otherwise converted into, Last Out Loans under the DIP ABL Credit Facility.

119. "***Last Out Loans***" means those "Last Out Loans" as defined in the ABL Credit Agreement.

120. "***Last Out Loans Turnover***" means the turnover of the Last Out Loans Turnover Amount in accordance with the terms of the Plan.

121. "***Last Out Loans Turnover Amount***" means an amount up to $650,000 in the aggregate to be paid for the benefit of Holders of General Unsecured Claims, which shall be paid from (i) the first $200,000 of any proceeds distributed to Holders of Last Out DIP Loan Claims on account of such Claims (including, after being rolled into any Exit ABL Facility, on account of any repayment as part of such Exit ABL Facility), plus (ii) 50 percent of each dollar received in excess of the first $200,000 of any such proceeds distributed to the Holders of Last Out DIP Loan Claims up to a total maximum amount of $650,000 (inclusive of the first $200,000 of proceeds paid).

122. "***Lien***" means a lien as defined in section 101(37) of the Bankruptcy Code.

123. "***Management Incentive Plan***" means that certain management incentive plan that may be adopted by the New Board after the Effective Date on terms to be determined by and at the discretion of the New Board, including with respect to allocation, timing, and structure of such issuance and the Management Incentive Plan, the amount of which shall be reasonably acceptable to the Debtors, the Term Loan Agent, and the Required Term Lenders.

124. "***New Board***" means the initial board of directors, members, or managers, as applicable, of the Reorganized Dream II.

125. "***New Interests***" means the equity interests in Reorganized Dream II.

126. "***New Money Exit Term Loan Facility***" means the "new money" term loan credit facility in the aggregate principal amount of $30,000,000 provided for under the Exit Term Loan Credit Agreement.

127. "***New Organizational Documents***" means the form of the certificates or articles of incorporation or formation, bylaws, limited liability company agreements, or such other applicable formation documents, including

any shareholders agreement, of Reorganized Dream II, the terms of which shall be reasonably acceptable to the Debtors, the Term Loan Agent, and the Required Term Lenders and which shall be included in the Plan Supplement.

128. "***Notice and Claims Agent***" means Omni Management Group in its capacity as notice and claims agent for the Debtors and any successor.

129. "***Other Priority Claim***" means any Claim, to the extent such Claim has not already been paid during the Chapter 11 Cases, other than an Administrative Claim or a Priority Tax Claim, entitled to priority in right of payment under section 507(a) of the Bankruptcy Code.

130. "***Other Secured Claim***" means any Secured Claim that is not a DIP Claim, an ABL Claim, a Term Loan Claim, or a Secured Tax Claim, and includes (i) any Claim secured by the Administration Charge, and (ii) the Canadian Intercompany Claim.

131. "***Payoff Letter***" means the payoff letter in respect of any payment in full of the DIP ABL Claims and ABL Claims (excluding last out DIP Claims) in accordance with Section 1.4 of the DIP ABL Credit Agreement, to be agreed upon by the Debtor and the DIP ABL Agent prior to the Effective Date.

132. "***Person***" means a person as such term as defined in section 101(41) of the Bankruptcy Code.

133. "***Petition Date***" means the date on which each of the Debtors commenced the Chapter 11 Cases.

134. "***Plan***" means this *Debtors' Joint Plan of Reorganization of Hollander Sleep Products, LLC and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code*, as may be altered, amended, modified, or supplemented from time to time in accordance with Article X hereof, including the Plan Supplement (as modified, amended or supplemented from time to time), which is incorporated herein by reference and made part of the Plan as if set forth herein.

135. "***Plan Administrator***" means (a) if the Holders of Class 5 Claims vote to accept the Plan, a person or Entity designated by the Committee in consultation with the Debtors, or (b) if the Holders of Class 5 Claims vote to reject the Plan, a person or Entity designated by the Debtors in consultation with the Committee, who will be disclosed prior to the Confirmation Hearing to have all power and authorities set forth in Article VII.B of the Plan.

136. "***Plan Administrator Budget***" means that certain budget governing the fees, expenses, disbursements of the Plan Administrator, which budget shall be reasonably acceptable to the Debtors, the Committee, the Term Loan Agent, and the Required Term Lenders and filed with the Bankruptcy Court as part of the Plan Supplement.

137. "***Plan Settlement***" means the good faith compromise and settlement of all Claims, Interests, and controversies as described in Article IV.A of the Plan.

138. "***Plan Supplement***" means the compilation of documents and forms of documents, agreements, schedules, and exhibits to the Plan, the initial draft of certain of such documents shall be Filed by the Debtors fourteen calendar days before the first day of the Confirmation Hearing, and additional documents Filed with the Bankruptcy Court prior to the Effective Date, as may be amended, supplemented, altered, or modified from time to time in accordance with the terms hereof, the Bankruptcy Code, and the Bankruptcy Rules, including: (a) the New Organizational Documents, if applicable; (b) the Exit ABL Credit Agreement, if applicable; (c) the Exit Term Loan Credit Agreement, if applicable; (d) any necessary documentation related to the Sale Transaction, if applicable; (e) the Schedule of Assumed Executory Contracts and Unexpired Leases; (f) the Schedule of Rejected Executory Contracts and Unexpired Leases; (g) the Schedule of Retained Causes of Action; (h) the identity of the members of the New Board and any executive management for the Reorganized Debtors; (i) the Payoff Letter; (j) the Restructuring Transactions Memorandum; (k) the identity and terms of compensation of the Plan Administrator; (l) the Plan Administrator Budget; and (m) any other necessary documentation related to the Restructuring Transactions, which shall be reasonably acceptable to the Debtors, the Sponsor, the Term Loan Agent, and the Required Term Lenders.

139. "***Prepetition Agents***" means the ABL Agent and the Term Loan Agent.

140. "***Prepetition Facilities***" means the ABL Credit Facility and the Term Loan Facility.

141. "***Prepetition Secured Lenders***" means the ABL Lenders and Term Loan Lenders.

142. "***Priority Tax Claim***" means any Claim of a Governmental Unit of the kind specified in section 507(a)(8) of the Bankruptcy Code.

143. "***Pro Rata***" means the proportion that an Allowed Claim or an Allowed Interest in a particular Class bears to the aggregate amount of Allowed Claims or Allowed Interests in that Class.

144. "***Professional***" means an Entity retained in the Chapter 11 Cases pursuant to and in accordance with sections 327, 363, or 1103 of the Bankruptcy Code and to be compensated for services rendered and expenses incurred pursuant to sections 327, 328, 329, 330, 331, or 363 of the Bankruptcy Code, *provided* that, for the avoidance of doubt, the advisors to the Term Loan Agent, the DIP Agents, and the ABL Agent shall not constitute a "Professional."

145. "***Professional Fee Claims***" mean all Claims for fees and expenses (including transaction and success fees) incurred by a Professional on or after the Petition Date through and including the Confirmation Date to the extent such fees and expenses have not been paid pursuant to an order of the Bankruptcy Court and regardless of whether a monthly fee statement or interim fee application has been Filed for such fees and expenses. To the extent a Bankruptcy Court or higher court of competent jurisdiction denies or reduces by a Final Order any amount of a Professional's fees or expenses, then the amount by which such fees or expenses are reduced or denied shall reduce the applicable Professional Fee Claim.

146. "***Professional Fee Escrow Account***" means an interest-bearing escrow account to be funded by the Debtors with Cash on the Effective Date in an amount equal to the Professional Fee Escrow Amount, *provided* that the Professional Fee Escrow shall be increased from Cash on hand at the Reorganized Debtors to the extent applications are filed after the Effective Date in excess of the amount of Cash funded into the escrow as of the Effective Date.

147. "***Professional Fee Escrow Amount***" means the total amount of Professional fees and expenses estimated pursuant to Article II.B.3 of the Plan.

148. "***Proof of Claim***" means a written proof of Claim Filed against any of the Debtors in the Chapter 11 Cases.

149. "***Proof of Interest***" means a written proof of Interest Filed against any of the Debtor in the Chapter 11 Cases.

150. "***Put Purchasers***" means Sentinel Capital Partners V, L.P., Sentinel Dream Blocker, Inc., and Sentinel Capital Investors V, L.P.

151. "***Quarterly Distribution Date***" means the first Business Day after the end of each quarterly calendar period (i.e., March 31, June 30, September 30, and December 31 of each calendar year) occurring after the Effective Date, or as soon thereafter as is reasonably practicable.

152. "***Recognition Proceedings***" means the proceedings commenced by the Debtors under Part IV of the CCAA in the Canadian Court to recognize the Chapter 11 Cases as "foreign main proceedings" in Canada.

153. "***Reinstate***," "***Reinstated***," or "***Reinstatement***" means (a) leaving unaltered the legal, equitable, and contractual rights to which a Claim or Interest entitles the Holder of such Claim or Interest so as to leave such Claim or Interest not Impaired or (b) notwithstanding any contractual provision or applicable law that entitles the Holder of a Claim or Interest to demand or receive accelerated payment of such Claim or Interest after the occurrence of a default: (i) curing any such default that occurred before or after the Petition Date, other than a default of a kind

specified in section 365(b)(2) of the Bankruptcy Code or of a kind that section 365(b)(2) expressly does not require to be cured; (ii) reinstating the maturity (to the extent such maturity has not otherwise accrued by the passage of time) of such Claim or Interest as such maturity existed before such default; (iii) compensating the Holder of such Claim or Interest for any damages incurred as a result of any reasonable reliance by such holder on such contractual provision or such applicable law; (iv) if such Claim or Interest arises from a failure to perform a nonmonetary obligation other than a default arising from failure to operate a nonresidential real property lease subject to section 365(b)(1)(A), compensating the Holder of such Claim or Interest (other than the Debtor or an insider) for any actual pecuniary loss incurred by such Holder as a result of such failure; and (v) not otherwise altering the legal, equitable, or contractual rights to which such Claim or Interest entitles the Holder.

154. "***Released Party***" means, collectively, and in each case in its capacity as such: (a) the Debtors; (b) the Reorganized Debtors; (c) the Prepetition Secured Lenders; (d) the Prepetition Agents; (e) the DIP Lenders; (f) the Put Purchasers; (g) the DIP Agents; (h) the Exit Facility Lenders; (i) the Exit Facility Agents; (j) the Winning Bidder; (k) the Sponsor; (l) the parties to the RSA; (m) the Committee; and (n) with respect to each of the foregoing in clauses (a) through (m), such Entity and its current and former Affiliates, and such Entities' and their current Affiliates' directors, managers, officers, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, participants, successors, and assigns, subsidiaries, affiliates, managed accounts or funds, and each of their respective current and former equity holders, officers, directors, managers, principals, shareholders, members (other than members of the Committee), management companies, fund advisors, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals; *provided* that any of the foregoing that does not consent to the releases shall not be a "Released Party."

155. "***Releasing Parties***" means, collectively, each of the following: (a) the Debtors; (b) the Reorganized Debtors; (c) the Prepetition Secured Lenders; (d) the Prepetition Agents; (e) the DIP Lenders; (f) the Put Purchasers; (g) the DIP Agents; (h) the Exit Facility Lenders; (i) the Exit Facility Agents; (j) the Winning Bidder; (k) the Sponsor; (l) the parties to the RSA; (m) the Committee; (n) with respect to each of the foregoing in clauses (a) through (m), such Entity and its current and former Affiliates, and such Entities' and their current and former Affiliates' current and former directors, managers, officers, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, successors, and assigns, subsidiaries, affiliates, managed accounts or funds, and each of their respective current and former equity holders, officers, directors, managers, principals, shareholders, members, management companies, fund advisors, employees, agents, advisory board members (other than members of the Committee), financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, each in their capacity as such and solely to the extent of such Entity's authority to bind any of the foregoing, including pursuant to agreement or applicable non-bankruptcy law; (o) all Holders of Claims that vote to accept the Plan; (p) all Holders of Claims that vote to reject the Plan but elect on their ballot to opt into the Third-Party Release; and (q) all Holders of Claims or Interests not described in the foregoing clauses (a) through (p) who elect to opt into the Third-Party Release.

156. "***Reorganized Debtors***" means the Debtors, as reorganized pursuant to and under the Plan, or any successor or assign thereto, by merger, amalgamation, consolidation, or otherwise, on or after the Effective Date, including Reorganized Dream II.

157. "***Reorganized Dream II***" means Dream II Holdings, LLC, or any successor thereto, by merger, consolidation, or otherwise, on or after the Effective Date.

158. "***Required Term Lenders***" means the Required Consenting Term Loan Lenders (as defined in the RSA).

159. "***Restructuring Transactions***" means the transactions described in Article IV.B of the Plan.

160. "***Restructuring Transactions Memorandum***" means, if the Term Loan Lenders are the Winning Bidder, a memorandum to be included in the Plan Supplement, prior to the Effective Date that, among other things, sets forth the steps necessary to effectuate the transactions described in Article IV.B of the Plan.

161. "***RSA***" means that certain restructuring support agreement, dated as of May 19, 2019, by and among the Debtors, the Consenting Term Loan Lenders, and the Sponsor, as amended and restated by that certain amended and restated restructuring support and settlement agreement, dated as of July 21, 2019, by and among the Debtors, the Consenting Term Loan Lenders, the Committee, and the Sponsor, as may be amended, restated, supplemented, or modified from time to time.

162. "***Sale Transaction***" means the sale of all or substantially all of the Debtors' assets to the Winning Bidder, if such Winning Bidder is an Entity other than the Term Loan Lenders, consummated in accordance with the Bidding Procedures and the Plan.

163. "***Schedule of Assumed Executory Contracts and Unexpired Leases***" means the schedule of certain Executory Contracts and Unexpired Leases to be assumed by the Debtors pursuant to the Plan, as the same may be amended, modified, or supplemented from time to time by the Debtors, which shall be reasonably acceptable to the Debtors, the Term Loan Agent, and the Required Term Lenders and shall be included in the Plan Supplement.

164. "***Schedule of Rejected Executory Contracts and Unexpired Leases***" means the schedule of certain Executory Contracts and Unexpired Leases to be rejected by the Debtors pursuant to the Plan, as the same may be amended, modified, or supplemented from time to time by the Debtors, which shall be reasonably acceptable to the Debtors, the Term Loan Agent, and the Required Term Lenders and shall be included in the Plan Supplement.

165. "***Schedule of Retained Causes of Action***" means the schedule of certain Causes of Action of the Debtors that are not released, waived, or transferred pursuant to the Plan, as the same may be amended, modified, or supplemented from time to time by the Debtors, which shall be reasonably acceptable to the Debtors, the Term Loan Agent, and the Required Term Lenders and shall be included in the Plan Supplement.

166. "***Schedules***" means, collectively, the schedules of assets and liabilities, schedules of Executory Contracts and Unexpired Leases and statements of financial affairs Filed by the Debtors pursuant to section 521 of the Bankruptcy Code, as such schedules may be amended, modified, or supplemented from time to time.

167. "***Section 510(b) Claim***" means any Claim subject to subordination under section 510(b) of the Bankruptcy Code; *provided* that a Section 510(b) Claim shall not include any Claim subject to subordination under section 510(b) of the Bankruptcy Code arising from or related to an Interest.

168. "***Secured***" means when referring to a Claim: (a) secured by a Lien on property in which the applicable Estate has an interest, which Lien is valid, perfected, and enforceable pursuant to applicable law or by reason of a Bankruptcy Court or Canadian Court order, or that is subject to setoff pursuant to section 553 of the Bankruptcy Code, to the extent of the value of the creditor's interest in such Estate's interest in such property or to the extent of the amount subject to setoff, as applicable, which value shall be determined pursuant to section 506(a) of the Bankruptcy Code or (b) Allowed pursuant to the Plan as a Secured Claim.

169. "***Secured Tax Claim***" means any Secured Claim that, absent its secured status would be entitled to priority in right of payment under section 507(a)(8) of the Bankruptcy Code (determined irrespective of time limitations), including authority related Secured Claim for penalties.

170. "***Securities Act***" means the Securities Act of 1933, 15 U.S.C. §§ 77a–77aa, as now in effect or hereafter amended, and the rules and regulations promulgated thereunder.

171. "***Security***" means a security as defined in section 2(a)(1) of the Securities Act.

172. "***Sponsor***" means Sentinel Capital Partners on behalf of itself and each of its affiliated investment funds or investment vehicles managed or advised by it, and its Affiliates, each solely in their capacity as holders of direct or indirect equity interests in Dream II.

173. "***Supporting Vendor***" means any vendor who participates in the Vendor Support Incentive.

174. "***Term Loan Agent***" means Barings Finance LLC, in its capacity as administrative agent under the Term Loan Credit Agreement, solely in its capacity as such.

175. "***Term Loan Claims***" means any and all Claims relating to, arising out of, arising under, or arising in connection with the Term Loan Facility and the Term Loan Documents.

176. "***Term Loan Credit Agreement***" means that certain term loan credit agreement dated as of June 9, 2017, by and among Hollander Sleep Products, LLC, as borrower, Dream II and Hollander Home Fashions Holdings, LLC, as guarantors, the Term Loan Lenders, and the Term Loan Agent, as amended, modified, restated, or supplemented from time to time prior to the Petition Date.

177. "***Term Loan Deficiency Claim***" means a Term Loan Claim that is not a Secured Claim, which Term Loan Deficiency Claim shall be, subject to the occurrence of the Effective Date, waived pursuant to the Plan.

178. "***Term Loan Distributable Cash***" means, only in the event that the Winning Bidder is an Entity other than the Term Loan Lenders, any Cash proceeds of a Sale Transaction in excess of amounts necessary to (i) satisfy all Claims senior in priority to the Term Loan Claims (including the ABL Claims and DIP ABL Claims secured by the ABL Priority Collateral) in full, in Cash, as provided herein, (ii) fund the GUC Sale Transaction Recovery Pool, and (iii) fund the Plan Administrator Budget.

179. "***Term Loan Documents***" means the Term Loan Credit Agreement and all other agreements, documents, and instruments related thereto, including any guaranty agreements, pledge and collateral agreements, intercreditor agreements, and other security agreements, in each case, as amended, modified, restated, or supplemented from time to time prior to the Petition Date.

180. "***Term Loan Facility***" means the term loan facility provided for under the Term Loan Credit Agreement.

181. "***Term Loan Lenders***" means the banks, financial institutions, and other lenders party to the Term Loan Credit Agreement from time to time, each solely in their capacity as such.

182. "***Term Loan Priority Collateral***" has the meaning given to such term as defined in the Intercreditor Agreement.

183. "***Third-Party Release***" means the release given by each of the Releasing Parties to the Released Parties as set forth in Article VIII.D of the Plan.

184. "***U.S. Trustee***" means the Office of the United States Trustee for the Southern District of New York.

185. "***Unexpired Lease***" means a lease to which one or more of the Debtors is a party that is subject to assumption or rejection under section 365 or section 1123 of the Bankruptcy Code.

186. "***Unimpaired***" means, with respect to a Class of Claims or Interests, a Class of Claims or Interests that is unimpaired within the meaning of section 1124 of the Bankruptcy Code.

187. "***Vendor Support Incentive***" means for each Supporting Vendor who agrees at the request of the Debtors, in the Debtors' sole discretion, to provide standard prepetition trade credit to the Reorganized Debtors on the most favorable terms extended by the Supporting Vendor in the 12 months before the Petition Date (but in no event less than 60-day terms) for the 12-month period beginning on the Effective Date, which support shall be documented in a trade agreement acceptable to the Debtors, (a)(i) a payment of 3.0% of the average outstanding payable balance for the 12-month period beginning on the Effective Date to be paid in six monthly installments *plus* (ii) 1% of such Supporting Vendor's Allowed General Unsecured Claim, or (b) a letter of credit from the Reorganized Debtors backing the payment of the moving average outstanding payable balance for the 12-month period beginning on the Effective Date.

188. "***Voting Deadline***" means 4:00 p.m., prevailing Eastern Time, on August 28, 2019.

189. "***Winning Bidder***" means the Entity or Entities whose bid or bids for some or all of the Debtors' assets, which for the avoidance of doubt may include the transaction contemplated under the Plan, is selected by the Debtors and approved by the Bankruptcy Court as the highest or otherwise best bid pursuant to the Bidding Procedures. For the avoidance of doubt, if there is no third-party purchaser of the assets, the Term Loan Lenders shall be deemed to be the Winning Bidder in accordance with the other terms and provisions of the Plan.

B. Rules of Interpretation

For purposes of this Plan: (1) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and the neuter gender; (2) any reference herein to a contract, lease, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that the referenced document shall be substantially in that form or substantially on those terms and conditions; (3) any reference herein to an existing document, schedule, or exhibit, whether or not Filed, having been Filed or to be Filed shall mean that document, schedule, or exhibit, as it may thereafter be amended, restated, supplemented, or otherwise modified; (4) any reference to an Entity as a Holder of a Claim or Interest includes that Entity's successors and assigns; (5) unless otherwise specified, all references herein to "Articles" are references to Articles of the Plan or hereto; (6) unless otherwise specified, all references herein to exhibits are references to exhibits in the Plan Supplement; (7) the words "include" and "including," and variations thereof, shall not be deemed to be terms of limitation, and shall be deemed to be followed by the words "without limitation"; (8) unless otherwise specified, the words "herein," "hereof," and "hereto" refer to the Plan in its entirety rather than to a particular portion of the Plan; (9) subject to the provisions of any contract, certificate of incorporation, bylaw, instrument, release, or other agreement or document entered into in connection with the Plan, the rights and obligations arising pursuant to the Plan shall be governed by, and construed and enforced in accordance with, applicable federal law, including the Bankruptcy Code and the Bankruptcy Rules, or, if no rule of law or procedure is supplied by federal law (including the Bankruptcy Code and the Bankruptcy Rules) or otherwise specifically stated, the laws of the State of New York, without giving effect to the principles of conflict of laws; (10) captions and headings to Articles are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan; (11) unless otherwise specified herein, the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; (12) all references to docket numbers of documents Filed in the Chapter 11 Cases are references to the docket numbers under the Bankruptcy Court's CM/ECF system; (13) all references to statutes, regulations, orders, rules of courts, and the like shall mean as amended from time to time, and as applicable to the Chapter 11 Cases, unless otherwise stated; (14) any effectuating provisions may be interpreted by the Debtors or Reorganized Debtors in such a manner that is consistent with the overall purpose and intent of the Plan all without further notice to or action, order, or approval of the Bankruptcy Court or any other Entity, and such interpretation shall be conclusive; (15) any references herein to the Effective Date shall mean the Effective Date or as soon as reasonably practicable thereafter; (16) all references herein to consent, acceptance, or approval shall be deemed to include the requirement that such consent, acceptance, or approval be evidenced by a writing, which may be conveyed by counsel for the respective parties that have such consent, acceptance, or approval rights, including by electronic mail; (17) any term used in capitalized form herein that is not otherwise defined but that is used in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be; (18) references to "shareholders," "directors," and/or "officers" shall also include "members" and/or "managers," as applicable, as such terms are defined under the applicable state limited liability company laws; and (19) except as otherwise specifically provided in the Plan to the contrary, references in the Plan to the Debtors or the Reorganized Debtors shall mean the Debtors and the Reorganized Debtors, as applicable, to the extent the context requires.

C. Computation of Time

Unless otherwise specifically stated herein, the provisions of Bankruptcy Rule 9006(a) shall apply in computing any period of time prescribed or allowed herein. If the date on which a transaction may occur pursuant to the Plan shall occur on a day that is not a Business Day, then such transaction shall instead occur on the next succeeding Business Day.

D. Governing Law

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) or unless otherwise specifically stated herein, the laws of the State of New York, without giving effect to the principles of conflict of laws, shall govern the rights, obligations, construction, and implementation of the Plan, any agreements, documents, instruments, or contracts executed or entered into in connection with the Plan (except as otherwise set forth in those agreements, in which case the governing law of such agreement shall control); *provided*, *however*, that corporate or limited liability company governance matters relating to the Debtors or the Reorganized Debtors, as applicable, not incorporated in New York shall be governed by the laws of the state of incorporation or formation of the applicable Debtor or the Reorganized Debtors, as applicable.

E. Reference to Monetary Figures

All references in the Plan to monetary figures shall refer to currency of the United States of America, unless otherwise expressly provided.

F. Non-Consolidated Plan

Although for purposes of administrative convenience and efficiency the Plan has been filed as a joint plan that addresses the reorganization of each of the Debtors and presents together Classes of Claims against, and Interests in, the Debtors, the Plan does not provide for the substantive consolidation of any of the Debtors and the Plan is a separate Plan for each Debtor.

ARTICLE II.
ADMINISTRATIVE CLAIMS, DIP CLAIMS AND PRIORITY TAX CLAIMS

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, Professional Fee Claims, DIP Claims, and Priority Tax Claims have not been classified and, thus, are excluded from the Classes of Claims and Interests set forth in Article III.

A. Administrative Claims

Unless otherwise agreed to by the Holder of an Allowed Administrative Claim and the Debtors or the Reorganized Debtors, as applicable, to the extent an Allowed Administrative Claim has not already been paid in full or otherwise satisfied during the Chapter 11 Cases, each Holder of an Allowed Administrative Claim (other than Holders of Professional Fee Claims) will receive in full and final satisfaction of its Allowed Administrative Claim an amount of Cash equal to the amount of the unpaid portion of such Allowed Administrative Claim in accordance with the following: (1) if such Administrative Claim is Allowed on or prior to the Effective Date, no later than 30 days after the Effective Date or as soon as reasonably practicable thereafter (or, if not then due, when such Allowed Administrative Claim is due or as soon as reasonably practicable thereafter); (2) if such Administrative Claim is not Allowed as of the Effective Date, no later than 30 days after the date on which an order Allowing such Administrative Claim becomes a Final Order, or as soon as reasonably practicable thereafter; (3) if such Allowed Administrative Claim is based on liabilities incurred by the Debtors in the ordinary course of their business after the Petition Date, in accordance with the terms and conditions of the particular transaction or course of business giving rise to such Allowed Administrative Claim, without any further action by the Holder of such Allowed Administrative Claim; (4) at such time and upon such terms as may be agreed upon by the Holder of such Allowed Administrative Claim and the Debtors or the Reorganized Debtors, as applicable; or (5) at such time and upon such terms as set forth in a Final Order of the Bankruptcy Court.

Except for Professional Fee Claims and DIP Claims (which are addressed in Article II.B and Article II.C, respectively), and unless previously Filed, requests for payment of Administrative Claims must be Filed and served on the Reorganized Debtors no later than the Administrative Claim Bar Date pursuant to the procedures specified in the Confirmation Order and the notice of entry of the Confirmation Order. Objections to such requests must be Filed and served on the Reorganized Debtors (if the Reorganized Debtors are not the objecting party) and the requesting party on or before the Administrative Claim Objection Bar Date. After notice and a hearing in accordance with the

procedures established by the Bankruptcy Code, the Bankruptcy Rules, and prior Bankruptcy Court orders, the Allowed amounts, if any, of Administrative Claims shall be determined by, and satisfied in accordance with, an order of the Bankruptcy Court that becomes a Final Order.

Except for Professional Fee Claims and DIP Claims, Holders of Administrative Claims that are required to File and serve a request for payment of such Administrative Claims that do not file and serve such a request on or before the Administrative Claim Bar Date shall be forever barred, estopped, and enjoined from asserting such Administrative Claims against the Debtors, the Reorganized Debtors, the Estates, or the property of any of the foregoing, and such Administrative Claims shall be deemed discharged as of the Effective Date without the need for any objection from the Reorganized Debtors or any notice to or action, order, or approval of the Bankruptcy Court or any other Entity.

B. Professional Fee Claims

1. Final Fee Applications and Payment of Professional Fee Claims

All final requests for payment of Professional Fee Claims for services rendered and reimbursement of expenses incurred prior to the Confirmation Date must be Filed no later than 30 days after the Effective Date. The Bankruptcy Court shall determine the Allowed amounts of such Professional Fee Claims after notice and a hearing in accordance with the procedures established by the Bankruptcy Code, Bankruptcy Rules, and prior Bankruptcy Court orders. The Reorganized Debtors shall pay the amount of the Allowed Professional Fee Claims owing to the Professionals in Cash to such Professionals, including from funds held in the Professional Fee Escrow Account when such Professional Fee Claims are Allowed by entry of an order of the Bankruptcy Court.

2. Professional Fee Escrow Account

As soon as is reasonably practicable after the Confirmation Date and no later than the Effective Date, the Debtors shall establish and fund the Professional Fee Escrow Account with Cash equal to the Professional Fee Escrow Amount. The Professional Fee Escrow Account shall be maintained in trust solely for the Professionals and for no other Entities until all Professional Fee Claims Allowed by the Bankruptcy Court have been irrevocably paid in full to the Professionals pursuant to one or more Final Orders of the Bankruptcy Court. No Liens, claims, or interests shall encumber the Professional Fee Escrow Account or Cash held in the Professional Fee Escrow Account in any way. Funds held in the Professional Fee Escrow Account shall not be considered property of the Estates, the Debtors, or the Reorganized Debtors.

The amount of Professional Fee Claims owing to the Professionals shall be paid in Cash to such Professionals by the Debtors or the Reorganized Debtors, as applicable, from the funds held in the Professional Fee Escrow Account as soon as reasonably practicable after such Professional Fee Claims are Allowed by an order of the Bankruptcy Court; *provided* that the Debtors' and the Reorganized Debtors' obligations to pay Allowed Professional Fee Claims shall not be limited nor be deemed limited to funds held in the Professional Fee Escrow Account. When all Professional Fee Claims Allowed by the Bankruptcy Court have been irrevocably paid in full to the Professionals pursuant to one or more Final Orders of the Bankruptcy Court, any remaining funds held in the Professional Fee Escrow Account shall promptly be paid to the Reorganized Debtors without any further notice to or action, order, or approval of the Bankruptcy Court or any other Entity.

3. Professional Fee Escrow Amount

The Professionals shall provide a reasonable and good-faith estimate of their fees and expenses incurred in rendering services to the Debtors before and as of the Effective Date projected to be outstanding as of the Effective Date, and shall deliver such estimate to the Debtors no later than five days before the anticipated Effective Date; *provided*, *however*, that such estimate shall not be considered or deemed an admission or limitation with respect to the amount of the fees and expenses that are the subject of the Professional's final request for payment of Professional Fee Claims and such Professionals are not bound to any extent by the estimates. If a Professional does not provide an estimate, the Debtors may estimate the unpaid and unbilled fees and expenses of such Professional. The total aggregate amount so estimated as of the Effective Date shall be utilized by the Debtors to determine the amount to be

funded to the Professional Fee Escrow Account, *provided* that the Reorganized Debtors shall use Cash on hand to increase the amount of the Professional Fee Escrow Account to the extent fee applications are Filed after the Effective Date in excess of the amount held in the Professional Fee Escrow Account based on such estimates.

4. Post-Confirmation Fees and Expenses

Except as otherwise specifically provided in the Plan, from and after the Confirmation Date, the Debtors shall, in the ordinary course of business and without any further notice to or action, order, or approval of the Bankruptcy Court, pay in Cash the reasonable and documented legal, professional, or other fees and expenses related to implementation of the Plan and Consummation incurred by (a) the Debtors or the Reorganized Debtors after the Confirmation Date, and (b) the Committee after the Confirmation Date through and including the Effective Date, in the ordinary course of business. The Debtors and Reorganized Debtors, as applicable, shall pay within ten business days after submission of a detailed invoice to the Debtors or Reorganized Debtors, as applicable, such reasonable claims for compensation or reimbursement of expenses incurred by the Professionals of the Debtors and Reorganized Debtors, as applicable. If the Debtors or Reorganized Debtors, as applicable, dispute the reasonableness of any such invoice, the Debtors or Reorganized Debtors, as applicable, or the affected professional may submit such dispute to the Bankruptcy Court for a determination of the reasonableness of any such invoice, and the disputed portion of such invoice shall not be paid until the dispute is resolved. Upon the Confirmation Date, any requirement that Professionals comply with sections 327 through 331 and 1103 of the Bankruptcy Code or the Interim Compensation Order in seeking retention or compensation for services rendered after such date shall terminate, and the Debtors may employ and pay any Professional in the ordinary course of business without any further notice to or action, order, or approval of the Bankruptcy Court.

C. DIP Claims

As of the Effective Date, the DIP Claims shall be Allowed and deemed to be Allowed Claims in the full amount outstanding under the DIP Credit Agreements, including principal, interest, fees, costs, other charges, and expenses. Upon the indefeasible payment or satisfaction in full in Cash of the Allowed DIP Claims in accordance with the terms of this Plan, or other such treatment as contemplated by this Article II.C of the Plan, on the Effective Date all Liens and security interests granted to secure such obligations shall be automatically terminated and of no further force and effect without any further notice to or action, order, or approval of the Bankruptcy Court or any other Entity.

1. DIP ABL Claims

Except as set forth in Article II.C.2 and to the extent that a Holder of an Allowed DIP ABL Claim agrees to a less favorable treatment, in full and final satisfaction, compromise, settlement, release, and discharge of, and in exchange for, each Allowed DIP ABL Claim, each such Holder of an Allowed DIP ABL Claim shall receive on the Effective Date (a) payment in full in Cash of such Holder's Allowed DIP ABL Claim pursuant to the Payoff Letter or (b) at such Holder's election and agreement by the Debtors, such Holder's Pro Rata share of the Exit ABL Facility. Notwithstanding anything to the contrary in this Plan, the Reorganized Debtors shall be and remain bound by the indemnification and expense reimbursement provisions of the Payoff Letter in favor of the DIP ABL Agent and DIP ABL Lenders.

Pursuant to the DIP ABL Credit Agreement, all distributions pursuant to this Article II.C.1 shall be made to the DIP ABL Agent for distributions to the DIP ABL Lenders in accordance with the DIP ABL Credit Agreement and DIP ABL Loan Documents. The DIP ABL Agent shall hold or direct distributions for the benefit of the Holders of DIP ABL Claims. The DIP ABL Agent shall retain all rights as DIP ABL Agent under the DIP ABL Documents in connection with the delivery of the distributions to the DIP ABL Lenders. The DIP ABL Agent shall not have any liability to any person with respect to distributions made or directed to be made by such DIP ABL Agent, except for liability arising from gross negligence, willful misconduct, or actual fraud of the DIP Term Loan Agent. All cash distributions to be made hereunder to the DIP ABL Agent on account of the DIP ABL Claims shall be made by wire transfer.

2. Last Out DIP Loan Claims

If the Term Loan Lenders are the Winning Bidder, in full and final satisfaction, compromise, settlement, release, and discharge of, and in exchange for, each Allowed Last Out DIP Loan Claim, each such Holder of an Allowed Last Out DIP Loan Claim (or to the extent the Last Out Loans are not rolled into the Last Out DIP Loans, the Holders of Last Out Loans) shall, subject to the Last Out Loans Turnover, receive such Holder's Pro Rata share of the Exit ABL Facility on a last out basis (on terms reasonably acceptable to each Holder of an Allowed Last Out DIP Loan Claim (or Last Out Loans)). The Exit ABL Documents shall include provisions necessary to implement the Last Out Loans Turnover.

Subject to the Last Out Loans Turnover, if an Entity other than the Term Loan Lenders is the Winning Bidder, each Holder of an Allowed Last Out DIP Loan Claim (or to the extent the Last Out Loans are not rolled into the Last Out DIP Loans, the Holders of Last Out Loans) shall receive payments in accordance with the waterfall provisions of the DIP ABL Credit Agreement, the DIP Intercreditor Agreement, and the final DIP ABL Order and final DIP Term Loan Order.

3. DIP Term Loan Claims

Except to the extent that a Holder of an Allowed DIP Term Loan Claim agrees to a less favorable treatment, in full and final satisfaction, compromise, settlement, release, and discharge of, and in exchange for, each Allowed DIP Term Loan Claim, each such Holder of an Allowed DIP Term Loan Claim shall receive on the Effective Date either: (a) if an Entity other than the Term Loan Lenders is the Winning Bidder, (i) payment in full in Cash of such Holder's Allowed DIP Term Loan Claim, or (ii) at such Holder's election and agreement by the Debtors, such Holder's Pro Rata share of the Exit Term Loan Facility; or (b) if the Term Loan Lenders are the Winning Bidder, its Pro Rata share of (i) 37 percent of the New Interests outstanding on the Effective Date, subject to dilution for the Management Incentive Plan, and (ii) the DIP Term Loan Debt Consideration. The DIP Term Loan Claims shall be Allowed in the aggregate amount outstanding under the DIP Term Loan Credit Facility as of the Effective Date; *provided*, *however*, that the DIP Term Loan Claims in respect of contingent and unliquidated obligations of the Debtor under the DIP Term Loan Credit Agreement shall survive the Effective Date on an unsecured basis and shall not be discharged or released pursuant to the Plan or Confirmation Order, and shall be paid by the Reorganized Debtors as and when due under the DIP Term Loan Documents.

Pursuant to the DIP Term Loan Credit Agreement, all distributions pursuant to this Article II.C.3 shall be made to the DIP Term Loan Agent for distributions to the DIP Term Loan Lenders in accordance with the DIP Term Loan Credit Agreement and DIP Term Loan Documents. The DIP Term Loan Agent shall hold or direct distributions for the benefit of the Holders of DIP Term Loan Claims. The DIP Term Loan Agent shall retain all rights as DIP Term Loan Agent under the DIP Term Loan Documents in connection with the delivery of the distributions to the DIP Term Loan Lenders. The DIP Term Loan Agent shall not have any liability to any person with respect to distributions made or directed to be made by such DIP Term Loan Agent, except for liability arising from gross negligence, willful misconduct, or actual fraud of the DIP Term Loan Agent. All cash distributions to be made hereunder to the DIP Term Loan Agent on account of the DIP Term Loan Claims shall be made by wire transfer.

D. Priority Tax Claims

Except to the extent that a Holder of an Allowed Priority Tax Claim agrees to a less favorable treatment, in full and final satisfaction, compromise, settlement, release, and discharge of, and in exchange for, each Allowed Priority Tax Claim, each Holder of such Allowed Priority Tax Claim shall be treated in accordance with the terms set forth in section 1129(a)(9)(C) of the Bankruptcy Code.

ARTICLE III.
CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS

A. Classification of Claims and Interests

Except for the Claims addressed in Article II of the Plan, all Claims and Interests are classified in the Classes set forth in this Article III for all purposes, including voting, Confirmation, and distributions pursuant to the Plan and in accordance with section 1122 and 1123(a)(1) of the Bankruptcy Code. A Claim or an Interest is classified in a particular Class only to the extent that such Claim or Interest qualifies within the description of that Class and is classified in other Classes to the extent that any portion of such Claim or Interest qualifies within the description of such other Classes. A Claim or an Interest also is classified in a particular Class for the purpose of receiving distributions under the Plan only to the extent that such Claim or Interest is an Allowed Claim or Allowed Interest in that Class and has not been paid, released, or otherwise satisfied prior to the Effective Date.

The classification of Claims and Interests against each Debtor pursuant to the Plan is as set forth below. The Plan shall apply as a separate Plan for each of the Debtors, and the classification of Claims and Interests set forth herein shall apply separately to each of the Debtors. All of the potential Classes for the Debtors are set forth herein. Certain of the Debtors may not have Holders of Claims or Interests in a particular Class or Classes, and such Claims shall be treated as set forth in Article III.F hereof. For all purposes under the Plan, each Class will contain sub-Classes for each of the Debtors, except that Class 8 shall be vacant at each Debtor other than Dream II. Voting tabulations for recording acceptances or rejections of the Plan shall be conducted on a Debtor-by-Debtor basis as set forth above.

Class	Claim/Interest	Status	Voting Rights
1	Other Priority Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
2	Other Secured Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
3	Secured Tax Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
4	Term Loan Claims	Impaired	Entitled to Vote
5	General Unsecured Claims	Impaired	Entitled to Vote
6	Intercompany Claims	Impaired or Unimpaired	Not Entitled to Vote (Deemed to Reject)
7	Intercompany Interests	Impaired or Unimpaired	Not Entitled to Vote (Deemed to Accept or Reject)
8	Interests in Dream II	Impaired	Not Entitled to Vote (Deemed to Reject)
9	Section 510(b) Claims	Impaired	Not Entitled to Vote (Deemed to Reject)

B. Treatment of Claims and Interests

Subject to Article VI hereof, each Holder of an Allowed Claim or Allowed Interest, as applicable, shall receive under the Plan the treatment described below in full and final satisfaction, compromise, settlement, release, and discharge of, and in exchange for, such Holder's Allowed Claim or Allowed Interest, except to the extent different treatment is agreed to by the Debtors and the Holder of such Allowed Claim or Allowed Interest, as applicable. Unless otherwise indicated, the Holder of an Allowed Claim or Allowed Interest, as applicable, shall receive such treatment on the later of the Effective Date and the date such Holder's Claim or Interest becomes an Allowed Claim or Allowed Interest or as soon as reasonably practicable thereafter.

1. Class 1 – Other Priority Claims

(a) *Classification*: Class 1 consists of all Other Priority Claims.

(b) *Treatment*: Except to the extent that a Holder of an Allowed Other Priority Claim agrees to less favorable treatment, on the Effective Date, in full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for such Allowed Other Priority Claim, each Holder of an Allowed Other Priority Claim shall receive, at the option of the applicable Debtor or Reorganized Debtor:

(i) payment in full in Cash of the unpaid portion of its Other Priority Claim on the later of the Effective Date and such date such Other Priority Claim becomes an Allowed Other Priority Claim; or

(ii) such other treatment rendering such Holder's Allowed Other Priority Claim Unimpaired.

(c) *Voting*: Class 1 is Unimpaired under the Plan. Holders of Other Priority Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of an Other Priority Claims are not entitled to vote to accept or reject the Plan.

2. Class 2 – Other Secured Claims

(a) *Classification*: Class 2 consists of all Other Secured Claims.

(b) *Treatment*: Except to the extent that a Holder of an Allowed Other Secured Claim agrees to less favorable treatment, on the Effective Date, in full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for such Allowed Other Secured Claim, each Holder of an Allowed Other Secured Claim shall receive, at the option of the applicable Debtor or Reorganized Debtor:

(i) payment in full in Cash of such Holder's Allowed Other Secured Claim;

(ii) the collateral securing such Holder's Allowed Other Secured Claim;

(iii) Reinstatement of such Holder's Allowed Other Secured Claim; or

(iv) such other treatment rendering such Holder's Allowed Other Secured Claim Unimpaired.

(c) *Voting*: Class 2 is Unimpaired under the Plan. Holders of Other Secured Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of an Other Secured Claims are not entitled to vote to accept or reject the Plan.

3. Class 3 – Secured Tax Claims

(a) *Classification*: Class 3 consists of all Secured Tax Claims.

(b) *Treatment*: Except to the extent that a holder of an Allowed Secured Tax Claim and the applicable Debtor or Reorganized Debtor agree to a less favorable treatment, in full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for such Secured Tax Claim, each such holder shall receive, at the option of the applicable Debtor or Reorganized Debtor, as applicable:

(i) payment in full in Cash of the unpaid portion of such holder's Allowed Secured Tax Claim on the later of the Effective Date and such date such Secured Tax Claim becomes an Allowed Secured Tax Claim; or

(ii) equal semi-annual Cash payments commencing as of the Effective Date or as soon as reasonably practicable thereafter and continuing for five years from the Petition Date, in an aggregate amount equal to such Allowed Secured Tax Claim, together with interest at the applicable rate under non-bankruptcy law, subject to the option of the Reorganized Debtors to prepay the entire amount of such Allowed Secured Tax Claim during such time period.

(c) *Voting*: Class 3 is Unimpaired under the Plan. Each holder of a Secured Tax Claim is conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, each holder of a Secured Tax Claim is not entitled to vote to accept or reject the Plan.

4. Class 4 – Term Loan Claims

(a) *Classification*: Class 4 consists of all Term Loan Claims.

(b) *Treatment*: Except to the extent that a Holder of an Allowed Term Loan Claim agrees to less favorable treatment, on the Effective Date, in full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for such Allowed Term Loan Claim, each Holder of an Allowed Term Loan Claim shall receive either:

(i) if an Entity other than the Term Loan Lenders is the Winning Bidder, its Pro Rata share of the Term Loan Distributable Cash up to the full amount of such Holder's Allowed Term Loan Claim or such other treatment rendering such Holder's Allowed Term Loan Claim Unimpaired; or

(ii) if the Term Loan Lenders are the Winning Bidder, its Pro Rata share of 23 percent of the New Interests outstanding on the Effective Date, subject to dilution for the Management Incentive Plan.

(c) *Voting*: Class 4 is Impaired under the Plan. Holders of Term Loan Claims are entitled to vote to accept or reject the Plan.

5. Class 5 – General Unsecured Claims

(a) *Classification*: Class 5 consists of all General Unsecured Claims.

(b) *Treatment*: Except to the extent that a Holder of an Allowed General Unsecured Claim agrees to less favorable treatment, on the Effective Date, in full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for such Allowed General Unsecured Claim, each Holder of an Allowed General Unsecured Claim shall receive, up to the full amount of such Holder's Allowed General Unsecured Claim:

(i) its Pro Rata share of the Last Out Loans Turnover Amount;

(ii) its Pro Rata share of the Commercial Tort Proceeds, if any; and

(iii) either:

a. if the Term Loan Lenders are the Winning Bidder, its Pro Rata share of the

Future Sale Consideration, if any, *plus* either:

I. its Pro Rata share of the GUC Reorganization Recovery Pool; or

II. if the Holder is a Supporting Vendor, the Vendor Support Incentive (*provided* that no Holder that receives the Vendor Support Incentive shall receive such Holder's portion of the GUC Reorganization Recovery Pool); or

b. if an Entity other than the Term Loan Lenders is the Winning Bidder, its Pro Rata share of the GUC Sale Transaction Recovery Pool and the Excess Distributable Cash.

(c) *Voting*: Class 5 is Impaired under the Plan. Holders of Allowed General Unsecured Claims are entitled to vote to accept or reject the Plan.

6. Class 6 – Intercompany Claims

(a) *Classification*: Class 6 consists of all Intercompany Claims.

(b) *Treatment*: *Treatment*: Intercompany Claims shall be, at the option of the Debtors, in consultation with the Term Loan Agent and the Required Term Lenders, either:

(i) Reinstated; or

(ii) cancelled and released without any distribution on account of such Claims.

(c) *Voting*: Class 6 is either Impaired or Unimpaired under the Plan. Holders of Intercompany Claims are either (i) conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code or (ii) presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of Intercompany Claims are not entitled to vote to accept or reject the Plan.

7. Class 7 – Intercompany Interests

(a) *Classification*: Class 7 consists of all Intercompany Interests.

(b) *Treatment*: Intercompany Interests shall be, at the option of the Debtors, in consultation with the Term Loan Agent and the Required Term Lenders, either:

(i) Reinstated in accordance with Article III.G of the Plan; or

(ii) cancelled and released without any distribution on account of such Interests.

(c) Voting: Class 7 is Impaired or Unimpaired under the Plan. Holders of Intercompany Interests are either (i) conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code or (ii) presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of Intercompany Interests are not entitled to vote to accept or reject the Plan.

8. Class 8 – Interests in Dream II

(a) *Classification*: Class 8 consists of all Interests in Dream II.

(b) *Treatment*: On the Effective Date, all Interests in Dream II will be cancelled, released, and extinguished, and will be of no further force or effect.

(c) *Voting*: Class 8 is Impaired under the Plan. Holders of Interests in Dream II are conclusively presumed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, Holders of Interest in Dream II are not entitled to vote to accept or reject the Plan.

9. Class 9 – Section 510(b) Claims

(a) *Classification*: Class 9 consists of all Section 510(b) Claims.

(b) *Allowance*: Notwithstanding anything to the contrary herein, a Section 510(b) Claim, if any such Claim exists, may only become Allowed by Final Order of the Bankruptcy Court. The Debtors are not aware of any valid Section 510(b) Claim and believe that no such Section 510(b) Claim exists.

(c) *Treatment*: Allowed Section 510(b) Claims, if any, shall be discharged, cancelled, released, and extinguished as of the Effective Date, and will be of no further force or effect, and holders of Allowed Section 510(b) Claims will not receive any distribution on account of such Allowed Section 510(b) Claims.

(d) *Voting*: Class 9 is Impaired under the Plan. Holders (if any) of Section 510(b) Claims are conclusively deemed to have rejected the Plan under section 1126(g) of the Bankruptcy Code. Therefore, Holders (if any) of 510(b) Claims are not entitled to vote to accept or reject the Plan.

C. Special Provision Governing Unimpaired Claims

Except as otherwise provided in the Plan, nothing under the Plan shall affect the Debtors' rights in respect of any Claims that are Unimpaired, including all rights in respect of legal and equitable defenses to or setoffs or recoupments against any such Claims that are Unimpaired. Unless otherwise Allowed, Claims that are Unimpaired shall remain Disputed Claims under the Plan.

D. Confirmation Pursuant to Sections 1129(a)(10) and 1129(b) of the Bankruptcy Code

Section 1129(a)(10) of the Bankruptcy Code shall be satisfied for purposes of Confirmation by acceptance of the Plan by at least one Impaired Class of Claims. The Debtors shall seek Confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code with respect to any rejecting Class of Claims or Interests. The Debtors reserve the right to modify the Plan in accordance with Article X of the Plan to the extent, if any, that Confirmation pursuant to section 1129(b) of the Bankruptcy Code requires modification, including by modifying the treatment applicable to a Class of Claims or Interests to render such Class of Claims or Interests Unimpaired to the extent permitted by the Bankruptcy Code and the Bankruptcy Rules.

E. Subordinated Claims

Except as expressly provided herein, the allowance, classification, and treatment of all Allowed Claims and Interests and the respective distributions and treatments under the Plan take into account and conform to the relative priority and rights of the Claims and Interests in each Class in connection with any contractual, legal, and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, section 510(b) of the Bankruptcy Code, or otherwise. Pursuant to section 510 of the Bankruptcy Code, the Debtors and the Reorganized Debtors reserve the right to reclassify any Allowed Claim or Interest in accordance with any contractual, legal, or equitable subordination relating thereto.

F. Elimination of Vacant Classes; Presumed Acceptance by Non-Voting Classes

Any Class of Claims or Interests that does not have a Holder of an Allowed Claim or Allowed Interest or a Claim or Interest temporarily Allowed by the Bankruptcy Court in an amount greater than zero as of the date of the Confirmation Hearing shall be considered vacant and deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code.

If a Class contains Claims or Interests eligible to vote and no Holders of Claims or Interests eligible to vote in such Class vote to accept or reject the Plan, the Holders of such Claims or Interests in such Class shall be deemed to have accepted the Plan.

G. Intercompany Interests

To the extent Reinstated under the Plan, distributions on account of Intercompany Interests are not being received by Holders of such Intercompany Interests on account of their Intercompany Interests but for the purposes of administrative convenience, for the ultimate benefit of the Holders of the New Interests, and in exchange for the Debtors' and Reorganized Debtors' agreement under the Plan to provide management services to certain other Debtors and Reorganized Debtors, to use certain funds and assets as set forth in the Plan to make certain distributions and satisfy certain obligations of certain other Debtors and Reorganized Debtors to the Holders of certain Allowed Claims. For the avoidance of doubt, any Interest in non-Debtor subsidiaries owned by a Debtor shall continue to be owned by the applicable Reorganized Debtor.

H. Controversy Concerning Impairment

If a controversy arises as to whether any Claims or Interests, or any Class of Claims or Interests, are Impaired, the Bankruptcy Court shall, after notice and a hearing, determine such controversy on or before the Confirmation Date.

ARTICLE IV.
MEANS FOR IMPLEMENTATION OF THE PLAN

A. General Settlement of Claims and Interests

As discussed in the Disclosure Statement and as otherwise provided herein, pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and applicable, law, and in consideration for the classification, distributions, releases, and other benefits provided under the Plan, including (1) the Debtors' agreement to (A) provide an additional Vendor Support Incentive to Supporting Vendors, (B) turnover any Commercial Tort Proceeds for the benefit of the Holders of General Unsecured Claims, and (C) waive Avoidance Actions, (2) the Term Loan Lenders' agreement to (A) in the event that the Term Loan Lenders are the Winning Bidder, consent to the Debtors' funding of the GUC Reorganization Recovery Pool and the Reorganized Debtors' funding the Future Sale Consideration (as applicable), (B) in the event there is a Sale Transaction, consent to the Debtors' funding of the GUC Sale Transaction Recovery Pool, and (C) subject to the occurrence of the Effective Date, forgo any Term Loan Deficiency Claim, (3) the Sponsor's agreement to fund the Last Out Loans Turnover Amount, and (4) the Committee's agreement to (A) support and take, and refrain from taking, actions set forth in the RSA, including taking those actions necessary to obtain Bankruptcy Court approval of the Plan and Disclosure Statement, and (B) abide by the Committee Monthly Fee Cap, upon the Effective Date, the provisions of the Plan shall constitute and be deemed a good-faith compromise and settlement of all Claims, Interests, Causes of Action, and controversies released, settled, compromised, discharged, or otherwise resolved pursuant to the Plan, including (1) any challenge to the amount, validity, perfection, enforceability, priority, or extent of all Term Loan Claims, DIP Claims, and all ABL Claims (including any liens related to the foregoing), (2) any Avoidance Actions, and (3) any claims or Causes of Action against the Holders of Term Loan Claims, DIP Claims, ABL Claims, or Interests. The Plan shall be deemed a motion to approve the Plan Settlement pursuant to Bankruptcy Rule 9019, and the entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of such compromise and settlement under section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, as well as a finding by the Bankruptcy Court that such settlement and compromise is fair, equitable,

reasonable, and in the best interests of the Debtors and their Estates. Subject to Article VI hereof, all distributions made to Holders of Allowed Claims and Allowed Interests, as applicable, in any Class are intended to be and shall be final.

B. Restructuring Transactions

On the Effective Date, the applicable Debtors or the Reorganized Debtors shall enter into any transaction and shall take any actions as may be necessary or appropriate to effect a corporate restructuring of their respective businesses or a corporate restructuring of the overall corporate structure of the Debtors on the terms set forth in the Plan, including, as applicable, entry into the Exit Facilities, entry into the New Organizational Documents, consummation of the Sale Transaction in the event that the Winning Bidder is an Entity other than the Term Loan Lenders, the issuance of all securities, notes, instruments, certificates, and other documents required to be issued pursuant to the Plan, and/or the entry into one or more intercompany mergers, consolidations, amalgamations, arrangements, continuances, restructurings, conversions, dispositions, dissolutions, transfers, liquidations, spinoffs, intercompany sales, purchases, or other corporate transactions with the reasonable consent of the Term Loan Agent and the Required Term Lenders. The actions to implement the Restructuring Transactions may include: (1) the execution and delivery of appropriate agreements or other documents of merger, consolidation, amalgamation, arrangement, continuance, restructuring, conversion, disposition, dissolution, transfer, liquidation, spinoff, sale, or purchase containing terms that are consistent with the terms of the Plan and that satisfy the applicable requirements of applicable law and any other terms to which the applicable Entities may agree; (2) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any asset, property, right, liability, debt, or obligation on terms consistent with the terms of the Plan and having other terms for which the applicable Entities agree; (3) the filing of appropriate certificates or articles of incorporation, reincorporation, formation, merger, consolidation, conversion, amalgamation, arrangement, continuance, or dissolution pursuant to applicable state or provincial law; and (4) all other actions that the applicable Entities determine to be necessary or appropriate, including making filings or recordings that may be required by applicable law in connection with the Plan.

C. Reorganized Debtors

On the Effective Date, the New Board shall be established, and the Reorganized Debtors shall adopt the New Organizational Documents. The Reorganized Debtors shall be authorized to implement the Restructuring Transactions and adopt any other agreements, documents, and instruments and to take any other actions contemplated under the Plan as necessary or desirable to consummate the Plan, which actions, regardless of whether taken before, on, or after the Effective Date, shall be deemed to constitute a Restructuring Transaction.

D. Sources of Consideration for Plan Distributions

The Reorganized Debtors will fund distributions under the Plan with Cash held on the Effective Date by or for the benefit of the Debtors or Reorganized Debtors, including Cash from operations, as well as the following sources of consideration.

1. Exit Facilities

On the Effective Date, the Reorganized Debtors shall execute and deliver the Exit Facility Documents to the applicable Exit Facility Administrative Agent and such documents shall become effective in accordance with their terms. On and after the Effective Date, the Exit Facility Documents shall constitute legal, valid, and binding obligations of the Reorganized Debtors and be enforceable in accordance with their respective terms.

The Exit Facilities shall consist of the Exit ABL Facility and the Exit Term Loan Facility. On the Effective Date, the Exit Term Loan Lenders shall fund the Exit Term Loan Facility and the Exit ABL Lenders shall fund the Exit ABL Facility. If the Term Loan Lenders are the Winning Bidder, in exchange for the commitment to fund the Exit Term Loan Facility, each Exit Term Loan Lender shall receive its Pro Rata share of 40 percent of the New Interests outstanding on the Effective Date, subject to dilution for the Management Incentive Plan, and such other consideration as set forth in the Exit Facility Documents.

The terms for the Exit Facilities will be determined in accordance with the Reorganized Debtors' contemplated post-Effective Date business plan following and depending on the results of the Auction (which may contemplate the continued ownership or operation of all or only some of the Debtors' assets), and any documentation necessary to implement the Exit Facilities will be included in the Plan Supplement. The Reorganized Debtors shall use proceeds of the Exit Facilities, as applicable, to fund ongoing operations and distributions under the Plan and to satisfy other Cash obligations under the Plan.

Confirmation shall be deemed approval of the Exit Facility Documents (including the transactions and fees contemplated thereby, and all actions to be taken, undertakings to be made, and obligations and guarantees to be incurred and fees paid in connection therewith), and, to the extent not approved by the Bankruptcy Court previously, the Reorganized Debtors will be authorized to execute and deliver any and all documents necessary or appropriate to obtain and enter into the Exit ABL Facility and the Exit Term Loan Facility, including the entry into the Exit Facility Documents, without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order or rule or vote, consent, authorization, or approval of any Person, subject to such modifications as the Debtors or Reorganized Debtors, with the reasonable consent of the Exit Term Loan Lenders, may deem to be necessary to consummate the Exit ABL Facility and the Exit Term Loan Facility.

2. Issuance of the New Interests

All existing Interests in Dream II shall be automatically cancelled on the Effective Date and the Reorganized Debtors shall issue the New Interests to Entities entitled to receive the New Interests pursuant to the Plan. The issuance of the New Interests is authorized without the need for any further corporate action and without any further action by the Holders of Claims or Interests or the Debtors or the Reorganized Debtors, as applicable. The New Organizational Documents, as applicable, shall authorize the issuance and distribution on the Effective Date of the New Interests to the Disbursing Agent for the benefit of Entities entitled to receive the New Interests pursuant to the Plan. All of the New Interests issued under the Plan shall be duly authorized, validly issued, fully paid, and non-assessable. Each distribution and issuance of the New Interests under the Plan shall be governed by the terms and conditions set forth in the Plan applicable to such distribution or issuance and by the terms and conditions of the instruments evidencing or relating to such distribution or issuance, which terms and conditions shall bind each Entity receiving such distribution or issuance. Any Entity's acceptance of New Interests shall be deemed as its agreement to the New Organizational Documents, as the same be amended or modified from time to time following the Effective Date in accordance with their terms. The New Interests will not be registered on any exchange as of the Effective Date.

3. Last Out Loans Turnover

The Sponsor shall cause to be delivered the Last Out Loans Turnover Amount to fund recoveries for the Holders of General Unsecured Claims. In a Sale Transaction, the Last Out Loans Turnover Amount shall be funded solely from the Cash proceeds, if any, received by the Sponsor on account of the Last Out DIP Loan Claims. If the Term Loan Lenders are the Winning Bidder and the Last Out DIP Loans are rolled into the Exit ABL Facility, the Sponsor (or its affiliated Entities) will fund the Last Out Loans Turnover Amount solely from the Cash proceeds it ultimately receives on account of the Last Out DIP Loans that have been converted into such Exit ABL Facility (in either case solely through a future pay down of such loans or from future proceeds the Sponsor (or its affiliated Entities) receives in the event of a sale of all or a portion of such loans following the Effective Date).

E. Sale Transaction

Continuing after the Petition Date, the Debtors will conduct a marketing and Auction process of some or all of the Debtors' assets in accordance with the Bidding Procedures to determine the Winning Bidder. The Bidding Procedures will set forth the terms of an Initial Minimum Overbid, will provide that all bids for the ABL Priority Collateral must be in cash unless otherwise agreed by the DIP ABL Agent (with respect to the ABL Priority Collateral), and will provide that any bids placed by any of the DIP Agents or the Prepetition Agents must be in accordance with the DIP Intercreditor Agreement. The Debtors will seek to elicit a higher or better Sale Transaction offer, if any, pursuant to the process set forth in the Bidding Procedures. If no Entity submits an Initial Minimum Overbid, the Term Loan Lenders will be deemed the Winning Bidder for purposes of the Plan, and the Debtors will seek Confirmation of the Plan as contemplated herein. If the Debtors are able to secure a higher or otherwise better offer in accordance with the Bidding Procedures, and the Winning Bidder is an Entity other than the Term Loan

Lenders, Holders of Term Loan Claims will be paid the Term Loan Distributable Cash as set forth in Article III of the Plan and the Sale Transaction will be consummated pursuant to the Plan in accordance with terms to be set forth in the Confirmation Order and Plan Supplement, as applicable. If the Debtors are unable to secure such higher or otherwise better offer at the conclusion of the marketing and Auction process contemplated by the Bidding Procedures, the Term Loan Lenders will be deemed to be the Winning Bidder for purposes of the Plan, and the Debtors will seek Confirmation of the Plan as contemplated herein.

F. Term Loan Deficiency Claim Waiver

The Holders of Term Loan Deficiency Claims shall not receive any distribution on account of such Claims and, subject to the occurrence of the Effective Date, such Term Loan Deficiency Claims shall be deemed waived.

G. Avoidance Actions Waiver

The Debtors and the Reorganized Debtors waive all Avoidance Actions.

H. Corporate Existence

Except as otherwise provided in the Plan, on and after the Effective Date, each Debtor shall continue to exist as a Reorganized Debtors and as a separate corporation, limited liability company, partnership, or other form of entity, as the case may be, with all the powers of a corporation, limited liability company, partnership, or other form of entity, as the case may be, pursuant to the applicable law in the jurisdiction in which each applicable Debtor is incorporated or formed and pursuant to the respective certificate of incorporation and bylaws (or other similar formation and governance documents) in effect prior to the Effective Date, except to the extent such certificate of incorporation and bylaws (or other similar formation and governance documents) are amended under the Plan or otherwise, and to the extent such documents are amended, such documents are deemed to be amended pursuant to the Plan and require no further action or approval (other than any requisite filings required under applicable state, provincial, or federal law).

I. Vesting of Assets in the Reorganized Debtors

Except as otherwise provided in the Plan or any agreement, instrument, or other document incorporated in the Plan, on the Effective Date, all property in each Estate (including Interests held by the Debtors in non-Debtor subsidiaries), all Causes of Action (other than Avoidance Actions), all Executory Contracts and Unexpired Leases assumed by any of the Debtors, and any property acquired by any of the Debtors pursuant to the Plan shall vest in each respective Reorganized Debtor, free and clear of all Liens, Claims, charges, or other encumbrances. On and after the Effective Date, except as otherwise provided in the Plan, each Reorganized Debtor may operate its business and may use, acquire, or dispose of property and compromise or settle any Claims, Interests, or Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

J. Cancellation of Existing Securities and Agreements

On the Effective Date, except as otherwise specifically provided for in the Plan: (1) the obligations of the Debtors under the ABL Credit Agreement, the Term Loan Credit Agreement, and any other certificate, Security, share, note, bond, indenture, purchase right, option, warrant, or other instrument or document directly or indirectly evidencing or creating any indebtedness or obligation of or ownership interest in the Debtors or giving rise to any Claim or Interest (except such certificates, notes, or other instruments or documents evidencing indebtedness or obligation of or ownership interest in the Debtors that are Reinstated pursuant to the Plan) shall be cancelled solely as to the Debtors and their Affiliates, and the Reorganized Debtors shall not have any continuing obligations thereunder; and (2) the obligations of the Debtors and their Affiliates pursuant, relating, or pertaining to any agreements, indentures, certificates of designation, bylaws, or certificate or articles of incorporation or similar documents governing the shares, certificates, notes, bonds, indentures, purchase rights, options, warrants, or other instruments or documents evidencing or creating any indebtedness or obligation of or ownership interest in the Debtors (except such agreements, certificates, notes, or other instruments evidencing indebtedness or obligation of or ownership interest in the Debtors that are specifically Reinstated pursuant to the Plan) shall be released and discharged. Notwithstanding

the foregoing, no executory contract or unexpired lease (i) that has been, or will be, assumed pursuant to section 365 of the Bankruptcy Code or (ii) relating to a Claim that was paid in full prior to the Effective Date, shall be terminated or cancelled on the Effective Date, except that (a) the ABL Credit Agreement and Term Loan Credit Agreement shall continue in effect solely for the purpose of (I) allowing Holders of the ABL Claims and Term Loan Claims, as applicable, to receive the distributions provided for under the Plan, (II) allowing the ABL Agent and Term Loan Agent to receive or direct distributions from the Debtors and to make further distributions to the Holders of such Claims on account of such Claims, as set forth in Article VI.A of the Plan, and (III) preserving the ABL Agent's and Term Loan Agent's right to indemnification pursuant and subject to the terms of the ABL Credit Agreement and Term Loan Credit Agreement in respect of any Claim or Cause of Action asserted against the ABL Agent or Term Loan Agent, as applicable, *provided* that any Claim or right to payment on account of such indemnification shall be an Administrative Claim, and (b) the foregoing shall not affect the cancellation of shares issued pursuant to the Plan nor Intercompany Interests, which shall be treated as set forth in Article III.B.8.

K. Corporate Action

Upon the Effective Date, all actions contemplated under the Plan, regardless of whether taken before, on, or after the Effective Date, shall be deemed authorized and approved in all respects, including: (1) selection of the directors and officers for the Reorganized Debtors, if applicable; (2) the issuance of the New Interests, if applicable; (3) implementation of the Restructuring Transactions, if applicable; (4) consummation of the Sale Transaction, if applicable; (5) execution of the Exit ABL Credit Agreement, Exit Term Loan Credit Agreement, and any and all other agreements, documents, securities, and instruments relating thereto, if applicable; (6) the entry into the Payoff Letter with respect to the DIP ABL Claims; and (7) all other actions contemplated under the Plan (whether to occur before, on, or after the Effective Date). All matters provided for in the Plan or deemed necessary or desirable by the Debtors before, on, or after the Effective Date involving the corporate structure of the Debtors or the Reorganized Debtors, and any corporate action required by the Debtors or the Reorganized Debtors in connection with the Plan or corporate structure of the Debtors or Reorganized Debtors shall be deemed to have occurred and shall be in effect on the Effective Date, without any requirement of further action by the security holders, directors, managers, or officers of the Debtors or the Reorganized Debtors. Before, on, or after the Effective Date, the appropriate officers of the Debtors or the Reorganized Debtors, as applicable, shall be authorized to issue, execute, and deliver the agreements, documents, securities, and instruments contemplated under the Plan (or necessary or desirable to effect the transactions contemplated under the Plan) in the name of and on behalf of the Reorganized Debtors, to the extent not previously authorized by the Bankruptcy Court. The authorizations and approvals contemplated by this Article IV.I shall be effective notwithstanding any requirements under non-bankruptcy law.

L. New Organizational Documents

On or immediately prior to the Effective Date, the New Organizational Documents shall be amended as necessary to effectuate the transactions contemplated by the Plan in a manner reasonably acceptable to the Term Loan Agent and the Required Term Lenders. Each of the Reorganized Debtors will file its New Organizational Documents with the applicable Secretaries of State and/or other applicable authorities in its respective state, province, or country of incorporation in accordance with the corporate laws of the respective state, province, or country of incorporation. The New Organizational Documents will prohibit the issuance of non-voting equity securities, to the extent required under section 1123(a)(6) of the Bankruptcy Code.

M. Directors, Managers, and Officers of the Reorganized Debtors

As of the Effective Date, the term of the current members of the board of managers of the Debtors shall expire, and the initial boards of directors, including the New Board, and the officers of each of the Reorganized Debtors shall be appointed in accordance with the respective New Organizational Documents. Pursuant to section 1129(a)(5) of the Bankruptcy Code, the Debtors will disclose in advance of the Confirmation Hearing the identity and affiliations of any Person proposed to serve on the initial board of directors or be an officer of any of the Reorganized Debtors. To the extent any such director or officer of the Reorganized Debtors is an "insider" under the Bankruptcy Code, the Debtors also will disclose the nature of any compensation to be paid to such director or officer. Each such director and officer shall serve from and after the Effective Date pursuant to the terms of the New Organizational Documents and other constituent documents of the Reorganized Debtors.

N. Effectuating Documents; Further Transactions

On and after the Effective Date, the Reorganized Debtors, and the officers and members of the boards of directors or managers thereof, are authorized to and may issue, execute, deliver, file, or record such contracts, Securities, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of the Plan, the Restructuring Transactions, and the Securities issued pursuant to the Plan in the name of and on behalf of the Reorganized Debtors, without the need for any approvals, authorization, or consents except for those expressly required pursuant to the Plan.

O. Exemption from Securities Act Registration

Pursuant to section 1145 of the Bankruptcy Code and, to the extent that section 1145 of the Bankruptcy Code is inapplicable, section 4(a)(2) of the Securities Act, the issuance of the New Interests as contemplated by the Plan is exempt from, among other things, the registration requirements of section 5 of the Securities Act and any other applicable United States, state, or local law requiring registration for offer or sale of a security or registration or licensing of an issuer of, underwriter of, or broker or dealer in, a security. As long as the exemption to registration under section 1145 of the Bankruptcy Code is applicable, the New Interests are not "restricted securities" (as defined in rule 144(a)(3) under the Securities Act) and are freely tradable and transferable by any initial recipient thereof that (1) is not an "affiliate" of the Reorganized Debtors (as defined in rule 144(a)(1) under the Securities Act), (2) has not been such an "affiliate" within 90 days of such transfer, and (3) is not an entity that is an "underwriter" as defined in section 1145(b) of the Bankruptcy Code.

P. Exemption from Certain Taxes and Fees

To the fullest extent permitted by section 1146(a) of the Bankruptcy Code and applicable law, any transfers (whether from a Debtor to a Reorganized Debtor or to any other Person) of property under the Plan or pursuant to (1) the issuance, distribution, transfer, or exchange of any debt, equity security, or other interest in the Debtors or the Reorganized Debtors, (2) the Restructuring Transactions, (3) the creation, modification, consolidation, termination, refinancing, and/or recording of any mortgage, deed of trust, or other security interest, or the securing of additional indebtedness by such or other means, (4) the making, assignment, or recording of any lease or sublease, (5) the grant of collateral as security for any or all of the Exit Facilities, as applicable, or (6) the making, delivery, or recording of any deed or other instrument of transfer under, in furtherance of, or in connection with, the Plan, including any deeds, bills of sale, assignments, or other instrument of transfer executed in connection with any transaction arising out of, contemplated by, or in any way related to the Plan (including the Sale Transaction, if applicable), shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, sale or use tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, regulatory filing or recording fee, or other similar tax or governmental assessment, and upon entry of the Confirmation Order, the appropriate state or local governmental officials or agents shall forgo the collection of any such tax or governmental assessment and accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax, recordation fee, or governmental assessment. All filing or recording officers (or any other Person with authority over any of the foregoing), wherever located and by whomever appointed, shall comply with the requirements of section 1146(c) of the Bankruptcy Code, shall forgo the collection of any such tax or governmental assessment, and shall accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

Q. Preservation of Causes of Action

In accordance with section 1123(b) of the Bankruptcy Code, but subject in all respects to this Article IV and Article VIII hereof, the Reorganized Debtors shall retain and may enforce all rights to commence and pursue, as appropriate, any and all Causes of Action, whether arising before or after the Petition Date, including any actions specifically enumerated in the Schedule of Retained Causes of Action and notwithstanding the rejection of any Executory Contract or Unexpired Lease during the Chapter 11 Cases or pursuant to the Plan, and the Reorganized Debtors' rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date, other than Avoidance Actions and the Causes of Action released by the Debtors pursuant to the releases and exculpations contained in the Plan, including in Article VIII, which shall be deemed released and waived by the Debtors and Reorganized Debtors as of the Effective Date; *provided* that Commercial Tort

Claims shall be preserved for the sole benefit of the Holders of General Unsecured Claims and only the Plan Administrator shall have an obligation to commence, prosecute, or settle such Commercial Tort Claims, if any.

The Reorganized Debtors may pursue such Causes of Action, as appropriate, in accordance with the best interests of the Reorganized Debtors. The applicable Reorganized Debtors, through their authorized agents or representatives, shall retain and may exclusively enforce any and all such Causes of Action. The Reorganized Debtors shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Causes of Action and to decline to do any of the foregoing without the consent or approval of any third party or further notice to or action, order, or approval of the Bankruptcy Court.

No Entity may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Cause of Action against it as any indication that the Debtors or the Reorganized Debtors, as applicable, will not pursue any and all available Causes of Action against it, except as otherwise expressly provided in the Plan, including this Article IV and Article VIII of the Plan. The Debtors or the Reorganized Debtors, as applicable, expressly reserve all rights to prosecute any and all Causes of Action against any Entity, except as otherwise expressly provided in the Plan, including this Article IV and Article VIII of the Plan. Unless any Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan or a Final Order, the Reorganized Debtors expressly reserve all Causes of Action, for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise), or laches, shall apply to such Causes of Action upon, after, or as a consequence of the Confirmation or Consummation.

ARTICLE V.
TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Assumption and Rejection of Executory Contracts and Unexpired Leases

On the Effective Date, except as otherwise provided herein, each Executory Contract or Unexpired Lease not previously assumed, assumed and assigned, or rejected shall be deemed automatically assumed by the applicable Reorganized Debtor in accordance with the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code, other than those that: (1) are identified on the Rejected Executory Contracts and Unexpired Leases Schedule; (2) previously expired or terminated pursuant to its own terms; (3) have been previously assumed or rejected by the Debtors pursuant to a Bankruptcy Court order; (4) are the subject of a motion to reject Executory Contracts or Unexpired Leases that is pending on the Effective Date; or (5) are subject to a motion to reject an Executory Contract or Unexpired Lease pursuant to which the requested effective date of such rejection is after the Effective Date.

Entry of the Confirmation Order shall constitute an order of the Bankruptcy Court approving, subject to and upon the occurrence of the Effective Date, the assumptions, assumptions and assignments, or rejections of the Executory Contracts and Unexpired Leases assumed or rejected pursuant to the Plan. Any motions to assume Executory Contracts or Unexpired Leases pending on the Effective Date shall be subject to approval by the Bankruptcy Court on or after the Effective Date by a Final Order but may be withdrawn, settled, or otherwise prosecuted by the Reorganized Debtors. Each Executory Contract and Unexpired Lease assumed pursuant to this Article V.A of the Plan or by any order of the Bankruptcy Court, which has not been assigned to a third party prior to the Effective Date, shall revest in and be fully enforceable by the Reorganized Debtors in accordance with its terms, except as such terms are modified by the provisions of the Plan or any order of the Bankruptcy Court authorizing and providing for its assumption under applicable federal law.

To the maximum extent permitted by law, to the extent any provision in any Executory Contract or Unexpired Lease assumed or assumed and assigned pursuant to the Plan restricts or prevents, or purports to restrict or prevent, or is breached or deemed breached by, the assumption or assumption and assignment of such Executory Contract or Unexpired Lease (including any "change of control" provision), then such provision shall be deemed modified such that the transactions contemplated by the Plan shall not entitle the non-Debtor party thereto to terminate such Executory Contract or Unexpired Lease or to exercise any other default-related rights with respect thereto.

B. Claims Based on Rejection of Executory Contracts or Unexpired Leases

Unless otherwise provided by a Final Order of the Bankruptcy Court, all Proofs of Claim with respect to Claims arising from the rejection of Executory Contracts or Unexpired Leases pursuant to the Plan or the Confirmation Order, if any, must be Filed with the Bankruptcy Court within 30 days after the later of (1) the date of entry of an order of the Bankruptcy Court (including the Confirmation Order) approving such rejection, (2) the effective date of such rejection, or (3) the Effective Date. **Any Claims arising from the rejection of an Executory Contract or Unexpired Lease not Filed with the Bankruptcy Court within such time will be automatically disallowed, forever barred from assertion, and shall not be enforceable against the Debtors, the Reorganized Debtors, the Estates, or their property of any of the foregoing parties without the need for any objection by the Reorganized Debtors or further notice to, or action, order, or approval of the Bankruptcy Court or any other Entity, and any Claim arising out of the rejection of the Executory Contract or Unexpired Lease shall be deemed fully satisfied, released, and discharged, notwithstanding anything in the Schedules or a Proof of Claim to the contrary.** Claims arising from the rejection of the Debtors' Executory Contracts or Unexpired Leases shall be classified as General Unsecured Claims and shall be treated in accordance with Article III.B and may be objected to in accordance with the provisions of Article VII of the Plan and the applicable provisions of the Bankruptcy Code and Bankruptcy Rules.

C. Cure of Defaults for Assumed Executory Contracts and Unexpired Leases

Any monetary defaults under each Executory Contract and Unexpired Lease to be assumed pursuant to the Plan shall be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, by payment of the default amount in Cash on the Effective Date or as soon as reasonably practicable thereafter, subject to the limitation described below, or on such other terms as the parties to such Executory Contracts or Unexpired Leases may otherwise agree. In the event of a dispute regarding (1) the amount of any payments to cure such a default, (2) the ability of the Reorganized Debtors or any assignee to provide "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code) under the Executory Contract or Unexpired Lease to be assumed, or (3) any other matter pertaining to assumption, the cure payments required by section 365(b)(1) of the Bankruptcy Code shall be made following the entry of a Final Order or orders resolving the dispute and approving the assumption. At least 21 days prior to the Confirmation Hearing, the Debtors shall provide for notices of proposed assumption and proposed cure amounts to be sent to applicable third parties and for procedures for objecting thereto and resolution of disputes by the Bankruptcy Court. Any objection by a counterparty to an Executory Contract or Unexpired Lease to a proposed assumption or related cure amount must be Filed, served, and actually received by the Debtors at least seven days prior to the Confirmation Hearing. Any counterparty to an Executory Contract or Unexpired Lease that fails to object timely to the proposed assumption or cure amount will be deemed to have assented to such assumption or cure amount.

Assumption of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall result in the full release and satisfaction of any Claims or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any assumed Executory Contract or Unexpired Lease at any time prior to the effective date of assumption. **Any Proofs of Claim Filed with respect to an Executory Contract or Unexpired Lease that has been assumed shall be deemed disallowed and expunged, without further notice to or action, order, or approval of the Bankruptcy Court.**

D. Preexisting Obligations to the Debtors under Executory Contracts and Unexpired Leases

Rejection of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall not constitute a termination of preexisting obligations owed to the Debtors or the Reorganized Debtors, as applicable, under such Executory Contracts or Unexpired Leases. In particular, notwithstanding any non-bankruptcy law to the contrary, the Reorganized Debtors expressly reserve and do not waive any right to receive, or any continuing obligation of a counterparty to provide, warranties or continued maintenance obligations on goods previously purchased by the Debtors contracting from non-Debtor counterparties to rejected Executory Contracts or Unexpired Leases.

E. Insurance Policies and Surety Bonds

Each of the Debtors' insurance policies and any agreements, documents, or instruments relating thereto, are treated as Executory Contracts under the Plan. Unless otherwise provided in the Plan, on the Effective Date, the Debtors shall be deemed to have assumed all insurance policies and any agreements, documents, and instruments relating to coverage of all insured Claims. Except as set forth in Article V.F of the Plan, nothing in this Plan, the Plan Supplement, the Disclosure Statement, the Confirmation Order, or any other order of the Bankruptcy Court (including any other provision that purports to be preemptory or supervening), (1) alters, modifies, or otherwise amends the terms and conditions of (or the coverage provided by) any of such insurance policies or (2) alters or modifies the duty, if any, that the insurers or third party administrators pay claims covered by such insurance policies and their right to seek payment or reimbursement from the Debtors (or after the Effective Date, the Reorganized Debtors) or draw on any collateral or security therefor. For the avoidance of doubt, insurers and third party administrators shall not need to nor be required to file or serve a cure objection or a request, application, claim, Proof of Claim, or motion for payment and shall not be subject to any claims bar date or similar deadline governing cure amounts or Claims.

Notwithstanding any other provision of the Plan, on the Effective Date, (1) all of the Debtors' obligations and commitments to any surety bond providers shall be deemed reaffirmed by the Reorganized Debtors, (2) surety bonds and related indemnification and collateral agreements entered into by any Debtor will be vested and performed by the applicable Reorganized Debtor and will survive and remain unaffected by entry of the Confirmation Order, and (3) the Reorganized Debtors shall be authorized to enter into new surety bond agreements and related indemnification and collateral agreements, or to modify any such existing agreements, in the ordinary course of business. The applicable Reorganized Debtors will continue to pay all premiums and other amounts due, including loss adjustment expenses, on the existing surety bonds as they become due prior to the execution and issuance of new surety bonds. Surety bond providers shall have the discretion to replace (or issue name-change riders with respect to) any existing surety bonds or related general agreements of indemnity with new surety bonds and related general agreements of indemnity on the same terms and conditions provided in the applicable existing surety bonds or related general agreements of indemnity.

F. Director, Officer, Manager, and Employee Liability Insurance

On or before the Effective Date, the Debtors, on behalf of the Reorganized Debtors, shall be authorized to and shall purchase and maintain directors, officers, managers, and employee liability tail coverage for the six-year period following the Effective Date for the benefit of the Debtors' current and former directors, managers, officers, and employees on terms no less favorable to such persons than their existing coverage under the D&O Liability Insurance Policies with available aggregate limits of liability upon the Effective Date of no less than the aggregate limit of liability under the existing D&O Liability Insurance Policies.

After the Effective Date, none of the Debtors or the Reorganized Debtors shall terminate or otherwise reduce the coverage under any such policies (including, if applicable, any "tail policy") with respect to conduct occurring on or prior to the Effective Date, and all officers, directors, managers, and employees of the Debtors who served in such capacity at any time before the Effective Date shall be entitled to the full benefits of any such policy for the full six-year term of such policy regardless of whether such officers, directors, managers, or employees remain in such positions after the Effective Date.

On and after the Effective Date, each of the Reorganized Debtors shall be authorized to purchase a directors' and officers' liability insurance policy for the benefit of their respective directors, members, trustees, officers, and managers in the ordinary course of business.

G. Indemnification Obligations

On and as of the Effective Date, the Indemnification Provisions will be assumed and irrevocable and will survive the effectiveness of the Plan, and the Reorganized Debtors' governance documents will provide for the indemnification, defense, reimbursement, exculpation, and/or limitation of liability of, and advancement of fees and expenses to the Debtors' and the Reorganized Debtors' current and former directors, officers, employees, and agents to the fullest extent permitted by law and at least to the same extent as the organizational documents of each of the respective Debtors on the Petition Date, against any claims or Causes of Action whether direct or derivative, liquidated

or unliquidated, fixed or contingent, disputed or undisputed, matured or unmatured, known or unknown, foreseen or unforeseen, asserted or unasserted. None of the Reorganized Debtors will amend and/or restate their respective governance documents before or after the Effective Date to terminate or adversely affect any of the Reorganized Debtors' obligations to provide such indemnification rights or such directors,' officers,' employees,' or agents' indemnification right.

On and as of the Effective Date, any of the Debtors' indemnification obligations with respect to any contract or agreement that is the subject of or related to any litigation against the Debtors or Reorganized Debtors, as applicable, shall be assumed by the Reorganized Debtors and otherwise remain unaffected by the Chapter 11 Cases.

H. Employee and Retiree Benefits

Unless otherwise provided herein, all employee wages, compensation, and benefit programs in place as of the Effective Date with the Debtors shall be assumed by the Reorganized Debtors and shall remain in place as of the Effective Date and, without limiting any authority provided to the board of directors or managers or members of the Reorganized Debtors under the Reorganized Debtors' respective formation and constituent documents, the Reorganized Debtors will continue to honor such agreements, arrangements, programs, and plans in the ordinary course of business. Notwithstanding the foregoing, pursuant to section 1129(a)(13) of the Bankruptcy Code, from and after the Effective Date, all retiree benefits (as such term is defined in section 1114 of the Bankruptcy Code), if any, shall continue to be paid in accordance with applicable law.

I. Collective Bargaining Agreements

The Collective Bargaining Agreements and any agreements, documents, or instruments relating thereto, is treated as and deemed to be an Executory Contract under the Plan. On the Effective Date, the Debtors shall be deemed to have assumed the Collective Bargaining Agreements and any agreements, documents, and instruments related thereto. All Proofs of Claim Filed for amounts due under the Collective Bargaining Agreements shall be considered satisfied by the agreement and obligation to assume and cure in the ordinary course as provided herein. On the Effective Date, any Proofs of Claim Filed with respect to the Collective Bargaining Agreements shall be deemed disallowed and expunged, without further notice to or action, order, or approval of the Bankruptcy Court.

J. Workers Compensation Program

As of the Effective Date, the Reorganized Debtors shall continue to honor their obligations under (1) all applicable workers' compensation laws in states in which the Reorganized Debtors operate, and (2) the Debtors' (a) written contracts, agreements, and agreements of indemnity, in each case relating to workers' compensation, (b) self-insurer workers' compensation bonds, policies, programs, and plans for workers' compensation, and (c) workers' compensation insurance. All Proofs of Claims on account of workers' compensation shall be deemed withdrawn automatically and without any further notice to or action, order, or approval of the Bankruptcy Court; *provided*, *however*, that nothing in the Plan shall limit, diminish, or otherwise alter the Debtors' or Reorganized Debtors' defenses, Causes of Action, or other rights under applicable non-bankruptcy law with respect to any such contracts, agreements, policies, programs and plans.

K. Modifications, Amendments, Supplements, Restatements, or Other Agreements

Unless otherwise provided in the Plan, each Executory Contract or Unexpired Lease that is assumed shall include all modifications, amendments, supplements, restatements, or other agreements that in any manner affect such Executory Contract or Unexpired Lease, and Executory Contracts and Unexpired Leases related thereto, if any, including easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal and any other interests, unless any of the foregoing agreements has been previously rejected or repudiated or is rejected or repudiated under the Plan.

Modifications, amendments, supplements, and restatements to prepetition Executory Contracts and Unexpired Leases that have been executed by the Debtors during the Chapter 11 Cases shall not be deemed to alter

the prepetition nature of the Executory Contract or Unexpired Lease, or the validity, priority, or amount of any Claims that may arise in connection therewith.

L. Reservation of Rights

Neither the exclusion nor inclusion of any Executory Contract or Unexpired Lease on the Schedule of Assumed Executory Contracts and Unexpired Leases or the Schedule of Rejected Executory Contracts and Unexpired Leases, nor anything contained in the Plan, shall constitute an admission by the Debtors that any such contract or lease is in fact an Executory Contract or Unexpired Lease or that any of the Reorganized Debtors has any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory at the time of assumption or rejection, the Debtors or the Reorganized Debtors, as applicable, shall have 30 days following entry of a Final Order resolving such dispute to alter its treatment of such contract or lease under the Plan.

M. Nonoccurrence of Effective Date

In the event that the Effective Date does not occur, the Bankruptcy Court shall retain jurisdiction with respect to any request to extend the deadline for assuming or rejecting Unexpired Leases pursuant to section 365(d)(4) of the Bankruptcy Code.

N. Contracts and Leases Entered Into After the Petition Date

Contracts and leases entered into after the Petition Date by any Debtor, including any Executory Contracts and Unexpired Leases assumed by such Debtor, will be performed by the applicable Debtor or the Reorganized Debtors liable thereunder in the ordinary course of their business. Accordingly, such contracts and leases (including any assumed Executory Contracts and Unexpired Leases) will survive and remain unaffected by entry of the Confirmation Order.

ARTICLE VI.
PROVISIONS GOVERNING DISTRIBUTIONS

A. Timing and Calculation of Amounts to Be Distributed

Unless otherwise provided in the Plan, on the Initial Distribution Date (or if a Claim is not an Allowed Claim or Allowed Interest on the Initial Distribution Date, on the next Quarterly Distribution Date after such Claim or Interest becomes an Allowed Claim or Allowed Interest, or as soon as reasonably practicable thereafter), or as soon as is reasonably practicable thereafter, each Holder of an Allowed Claim or Allowed Interests (as applicable) shall receive the full amount of the distributions that the Plan provides for Allowed Claims or Allowed Interests (as applicable) in the applicable Class. In the event that any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date. If and to the extent that there are Disputed Claims or Disputed Interests, distributions on account of any such Disputed Claims or Disputed Interests shall be made pursuant to the provisions set forth in Article VII hereof. Except as otherwise provided in the Plan, Holders of Claims or Interests shall not be entitled to interest, dividends, or accruals on the distributions provided for in the Plan, regardless of whether such distributions are delivered on or at any time after the Effective Date.

B. Distributions on Account of Obligations of Multiple Debtors

For all purposes associated with distributions under the Plan, all guarantees by any Debtor of the obligations of any other Debtor, as well as any joint and several liability of any Debtor with respect to any other Debtor, shall be deemed eliminated so that any obligation that could otherwise be asserted against more than one Debtor shall result in a single distribution under the Plan, *provided* that Claims held by a single entity at different Debtors that are not based on guarantees or joint and several liability shall be entitled to the applicable distribution for such Claim at each applicable Debtor. Any such Claims shall be released and discharged pursuant to Article VIII of the Plan and shall be subject to all potential objections, defenses, and counterclaims, and to estimation pursuant to section 502(c) of the

Bankruptcy Code. For the avoidance of doubt, this shall not affect the obligation of each and every Debtor to pay fees payable pursuant to section 1930(a) of the Judicial Code until such time as a particular Chapter 11 Case is closed, dismissed, or converted, whichever occurs first.

C. Disbursing Agent

Except as otherwise provided herein, distributions under the Plan shall be made by the Disbursing Agent. The Disbursing Agent shall not be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court. Additionally, in the event that the Disbursing Agent is so otherwise ordered, all costs and expenses of procuring any such bond or surety shall be borne by the Reorganized Debtors.

D. Rights and Powers of Disbursing Agent

1. Powers of the Disbursing Agent

The Disbursing Agent shall be empowered to: (a) effect all actions and execute all agreements, instruments, and other documents necessary to perform its duties under the Plan; (b) make all distributions contemplated hereby; (c) employ professionals to represent it with respect to its responsibilities; and (d) exercise such other powers as may be vested in the Disbursing Agent by order of the Bankruptcy Court, pursuant to the Plan, or as deemed by the Disbursing Agent to be necessary and proper to implement the provisions hereof.

2. Expenses Incurred On or After the Effective Date

Except as otherwise ordered by the Bankruptcy Court, the amount of any reasonable fees and out-of-pocket expenses incurred by the Disbursing Agent on or after the Effective Date (including taxes) and any reasonable compensation and out-of-pocket expense reimbursement claims (including reasonable attorney fees and expenses) made by the Disbursing Agent shall be paid in Cash by the Reorganized Debtors.

E. Delivery of Distributions and Undeliverable or Unclaimed Distributions

1. Record Date for Distribution.

On the Distribution Record Date, the Claims Register shall be closed and any party responsible for making distributions shall instead be authorized and entitled to recognize only those record Holders listed on the Claims Register as of the close of business on the Distribution Record Date.

2. Delivery of Distributions

(a) Initial Distribution Date

Except as otherwise provided herein, on the Initial Distribution Date, the Disbursing Agent shall make distributions to holders of Allowed Claims and Interests as of the Distribution Record Date at the address for each such Holder as indicated on the Debtors' books and records or the register or related document maintained by, as applicable, the DIP Agents, the ABL Agent, or the Term Loan Agent as of the date of any such distribution; *provided* that the manner of such distributions shall be determined at the discretion of the Disbursing Agent; *provided*, *further*, that the address for each Holder of an Allowed Claim or Interest shall be deemed to be the address set forth in, as applicable, any Proof of Claim or Proof of Interest Filed by such Holder, or, if no Proof of Claim or Proof of Interest has been Filed, the address set forth in the Schedules. If a Holder holds more than one Claim in any one Class, all Claims of the Holder may be aggregated into one Claim and one distribution may be made with respect to the aggregated Claim.

(b) Quarterly Distribution Date

Except as otherwise determined by the Reorganized Debtors in their sole discretion, on each Quarterly Distribution Date or as soon thereafter as is reasonably practicable, the Disbursing Agent shall make the distributions required to be made on account of Allowed Claims and Interests under the Plan on such date. Any distribution that is not made on the Initial Distribution Date or on any other date specified herein because the Claim that would have been entitled to receive that distribution is not an Allowed Claim or Interest on such date, shall be distributed on the first Quarterly Distribution Date after such Claim or Interest is Allowed. No interest shall accrue or be paid on the unpaid amount of any distribution paid on a Quarterly Distribution Date in accordance with Article VI.I of the Plan.

(c) Distributions to Holders of Term Loan Claims

Except as set forth in this Article VI.E.2(c), the Term Loan Agent shall be deemed to be the Holder of all Term Loan Claims for purposes of distributions to be made hereunder, and all distributions on account of such Term Loan Claims shall be made to or on behalf of the Term Loan Agent. The Term Loan Agent shall hold or direct such distributions for the benefit of the Holders of Term Loan Claims. As soon as practicable following compliance with the requirements set forth in this Article VI, the Term Loan Agent shall arrange to deliver or direct the delivery of such distributions for which it is the deemed Holder to or on behalf of such Holders of Allowed Term Loan Claims.

Notwithstanding anything to the contrary herein, the Term Loan Agent shall be entitled to maintain a record of Holders of Term Loan Claims in the ordinary course of business and shall be entitled without regard to the general occurrence of the Distribution Record Date, to make distributions that it receives under the Plan to Holders of Term Loan Claims based upon its books and records. The Term Loan Agent shall not be held liable to any person with respect to distributions made or directed to be made by the Term Loan Agent except for liability arising from gross negligence, willful misconduct, or actual fraud of the Term Loan Agent.

3. Minimum Distributions

Notwithstanding any other provision of the Plan, the Disbursing Agent will not be required to make distributions of Cash less than $100 in value (whether cash or otherwise), and each such Claim to which this limitation applies shall be discharged pursuant to Article VIII and its Holder is forever barred pursuant to Article VIII from asserting such Claim against the Debtors, the Reorganized Debtors, or their property.

4. No Fractional Shares

No fractional shares or units of the New Interests shall be distributed and no Cash shall be distributed in lieu of such fractional amounts. When any distribution pursuant to the Plan on account of an Allowed Claim or Allowed Interest, as applicable, would otherwise result in the issuance of a number of shares or units of the New Interests that is not a whole number, the actual distribution of shares of the New Interests shall be rounded as follows: (a) fractions of one-half or greater shall be rounded to the next higher whole number and (b) fractions of less than one-half shall be rounded to the next lower whole number with no further payment therefore. The total number of authorized shares or units of the New Interests to be distributed pursuant to the Plan shall be adjusted as necessary to account for the foregoing rounding.

5. Undeliverable Distributions and Unclaimed Property

In the event that any distribution to any Holder is returned as undeliverable, no distribution to such Holder shall be made unless and until the Disbursing Agent has determined the then-current address of such Holder, at which time such distribution shall be made to such Holder without interest; *provided*, *however*, that such distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code at the expiration of six months from the Effective Date. After such date, all unclaimed property or interests in property shall revert to the Reorganized Debtors automatically and without need for a further order by the Bankruptcy Court (notwithstanding any applicable federal, provincial, or state escheat, abandoned, or unclaimed property laws to the contrary), and the Claim of any Holder to such property or Interest in property shall be discharged and forever barred.

A distribution shall be deemed unclaimed if a holder has not: (a) accepted a particular distribution or, in the case of distributions made by check, negotiated such check; (b) given notice to the Reorganized Debtors of an intent to accept a particular distribution; (c) responded to the Debtors' or Reorganized Debtors' requests for information necessary to facilitate a particular distribution; or (d) taken any other action necessary to facilitate such distribution.

F. Distributions on Account of Claims or Interests Allowed After the Effective Date

1. Payments and Distributions on Disputed Claims

Distributions made after the Effective Date to Holders of Disputed Claims or Interests that are not Allowed Claims or Interests as of the Effective Date, but which later become Allowed Claims or Interests, as applicable, shall be deemed to have been made on the applicable Quarterly Distribution Date after they have actually been made, unless the Reorganized Debtors and the applicable Holder of such Claim or Interest agree otherwise. No interest shall accrue or be paid on a Disputed Claim before it becomes and Allowed Claim in accordance with Article VI.I of the Plan.

2. Special Rules for Distributions to Holders of Disputed Claims

Notwithstanding any provision otherwise in the Plan and except as may be agreed to by the Reorganized Debtors, on the one hand, and the Holder of a Disputed Claim or Interest, on the other hand, no partial payments and no partial distributions shall be made with respect to any Disputed Claim or Interest until the Disputed Claim or Interest has become an Allowed Claim or Interest, as applicable, or has otherwise been resolved by settlement or Final Order; *provided* that if the Debtors do not dispute a portion of an amount asserted pursuant to an otherwise Disputed Claim, the Holder of such Disputed Claim shall be entitled to a distribution on account of that portion of such Claim, if any, that is not disputed at the time and in the manner that the Disbursing Agent makes distributions to similarly-situated holders of Allowed Claims pursuant to the Plan.

G. Compliance with Tax Requirements

In connection with the Plan, to the extent applicable, the Debtors or the Reorganized Debtors, as applicable, shall comply with all tax withholding and reporting requirements imposed on them by any Governmental Unit, and all distributions pursuant to the Plan shall be subject to such withholding and reporting requirements. Notwithstanding any provision in the Plan to the contrary, the Disbursing Agent shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including liquidating a portion of the distribution to be made under the Plan to generate sufficient funds to pay applicable withholding taxes, withholding distributions pending receipt of information necessary to facilitate such distributions, or establishing any other mechanisms they believe are reasonable and appropriate. The Debtors and Reorganized Debtors, as applicable, reserve the right to allocate all distributions made under the Plan in compliance with applicable wage garnishments, alimony, child support, and other spousal awards, liens, and encumbrances.

H. Allocations Between Principal and Accrued Interest

Distributions in respect of Allowed Claims shall be allocated first to the principal amount of such Claims (as determined for federal income tax purposes) and then, to the extent the consideration exceeds the principal amount of the Claims, to any portion of such Claims for accrued but unpaid interest.

I. No Postpetition Interest on Claims

Unless otherwise specifically provided for in the Plan or the Confirmation Order, or required by applicable bankruptcy and non-bankruptcy law, postpetition interest shall not accrue or be paid on any prepetition Claims against the Debtors, and no Holder of a prepetition Claim against the Debtors shall be entitled to interest accruing on or after the Petition Date on any such prepetition Claim.

J. Foreign Currency Exchange Rate

Except as otherwise provided in a Bankruptcy Court order, as of the Effective Date, any Claim asserted in currency other than U.S. dollars shall be automatically deemed converted to the equivalent U.S. dollar value using the exchange rate for the applicable currency as published in The Wall Street Journal, National Edition, on the Effective Date.

K. Setoffs and Recoupment

Except as expressly provided in this Plan, each Reorganized Debtor may, pursuant to section 553 of the Bankruptcy Code, set off and/or recoup against any Plan distributions to be made on account of any Allowed Claim, any and all claims, rights, and Causes of Action that such Reorganized Debtor may hold against the Holder of such Allowed Claim to the extent such setoff or recoupment is either (1) agreed in amount among the relevant Reorganized Debtor(s) and Holder of Allowed Claim or (2) otherwise adjudicated by the Bankruptcy Court or another court of competent jurisdiction; *provided*, *however*, that neither the failure to effectuate a setoff or recoupment nor the allowance of any Claim hereunder shall constitute a waiver or release by a Reorganized Debtor or its successor of any and all claims, rights, and Causes of Action that such Reorganized Debtor or its successor may possess against the applicable Holder. In no event shall any Holder of Claims against, or Interests in, the Debtors be entitled to recoup any such Claim or Interest against any claim, right, or Cause of Action of the Debtors or the Reorganized Debtors, as applicable, unless such Holder actually has performed such recoupment and provided notice thereof in writing to the Debtors in accordance with Article XII.G of the Plan on or before the Effective Date, notwithstanding any indication in any Proof of Claim or otherwise that such Holder asserts, has, or intends to preserve any right of recoupment.

Notwithstanding anything to the contrary in this Plan or the Confirmation Order, all rights of counterparties to unexpired leases of nonresidential real property (whether assumed or rejected) for setoff, recoupment, and subrogation are preserved and shall continue unaffected by Confirmation or the occurrence of the Effective Date.

L. Claims Paid or Payable by Third Parties

1. Claims Paid by Third Parties

The Debtors or the Reorganized Debtors, as applicable, shall reduce in full a Claim, and such Claim shall be disallowed without a Claim objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court, to the extent that the Holder of such Claim receives payment in full on account of such Claim from a party that is not a Debtor or the Reorganized Debtors. Subject to the last sentence of this paragraph, to the extent a Holder of a Claim receives a distribution on account of such Claim and receives payment from a party that is not a Debtor or the Reorganized Debtors on account of such Claim, such Holder shall, within two weeks of receipt thereof, repay or return the distribution to the applicable Debtor or the Reorganized Debtors, to the extent the Holder's total recovery on account of such Claim from the third party and under the Plan exceeds the amount of such Claim as of the date of any such distribution under the Plan. If the Debtors or the Reorganized Debtors, as applicable, become aware of any payment of a Claim by a third party, the Debtors or Reorganized Debtors, as applicable, will send a notice of wrongful payment to the Holder of such Claim requesting the return of any excess payments and advising the recipient of the provisions of the Plan requesting turnover of excess estate funds. The failure of such Holder to timely repay or return such distribution shall result in the Holder owing the applicable Debtor or the Reorganized Debtors annualized interest at the Federal Judgment Rate on such amount owed for each Business Day after the two-week grace period specified above until the amount is repaid.

2. Claims Payable by Third Parties

No distributions under the Plan shall be made on account of an Allowed Claim that is payable pursuant to one of the Debtors' insurance policies until the Holder of such Allowed Claim has exhausted all remedies with respect to such insurance policy. To the extent that one or more of the Debtors' insurers agrees to satisfy in full or in part a Claim (if and to the extent adjudicated by a court of competent jurisdiction), then immediately upon such insurers' agreement, the applicable portion of such Claim may be expunged without a Claims objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

3. Applicability of Insurance Policies

Except as otherwise provided in the Plan, distributions to Holders of Allowed Claims shall be in accordance with the provisions of any applicable insurance policy. Nothing contained in the Plan shall constitute or be deemed a waiver of any Cause of Action that the Debtors or any Entity may hold against any other Entity, including insurers under any policies of insurance, nor shall anything contained herein constitute or be deemed a waiver by such insurers of any defenses, including coverage defenses, held by such insurers.

ARTICLE VII.
PROCEDURES FOR RESOLVING CONTINGENT, UNLIQUIDATED, AND DISPUTED CLAIMS

A. Allowance of Claims

After the Effective Date, the Reorganized Debtors and the Plan Administrator shall have and retain any and all rights and defenses such Debtor had with respect to any Claim or Interest immediately before the Effective Date.

B. Claims Administration Responsibilities

After the Effective Date, the Plan Administrator will (a) oversee the Claim administration process and (b) administer Commercial Tort Claims and Commercial Tort Proceeds, if any, for the benefit of Holders of General Unsecured Claims. Except as otherwise specifically provided in the Plan, the Plan Administrator shall have the sole authority: (1) to File, withdraw, or litigate to judgment objections to Claims or Interests and Commercial Tort Claims; (2) to settle or compromise any Disputed Claim or Commercial Tort Claims without any further notice to or action, order, or approval by the Bankruptcy Court; and (3) to administer and adjust the Claims Register to reflect any such settlements or compromises without any further notice to or action, order, or approval by the Bankruptcy Court.

C. Plan Administrator Budget

All fees, expenses, and distributions of the Plan Administrator shall be subject to the Plan Administrator Budget. For the avoidance of doubt, the Plan Administrator's compensation and the payment of fees and expenses of any attorneys, accountants, and other professionals engaged by the Plan Administrator shall be subject to the Plan Administrator Budget.

D. Estimation of Claims

Before or after the Effective Date, the Plan Administrator and the Debtors or Reorganized Debtors, as applicable, may (but are not required to) at any time request that the Bankruptcy Court estimate any Claim that is contingent or unliquidated pursuant to section 502(c) of the Bankruptcy Code for any reason, regardless of whether any party previously has objected to such Claim or Interest or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court shall retain jurisdiction to estimate any such Claim or Interest, including during the litigation of any objection to any Claim or Interest or during the appeal relating to such objection. Notwithstanding any provision otherwise in the Plan, a Claim that has been expunged from the Claims Register, but that either is subject to appeal or has not been the subject of a Final Order, shall be deemed to be estimated at zero dollars, unless otherwise ordered by the Bankruptcy Court. In the event that the Bankruptcy Court estimates any contingent or unliquidated Claim or Interest, that estimated amount shall constitute a maximum limitation on such Claim or Interest for all purposes under the Plan (including for purposes of distributions), and the relevant Reorganized Debtor may elect to pursue any supplemental proceedings to object to any ultimate distribution on such Claim or Interest. Notwithstanding section 502(j) of the Bankruptcy Code, in no event shall any holder of a Claim that has been estimated pursuant to section 502(c) of the Bankruptcy Code or otherwise be entitled to seek reconsideration of such estimation unless such holder has Filed a motion requesting the right to seek such reconsideration on or before fourteen days after the date on which such Claim is estimated. All of the aforementioned Claims and objection, estimation, and resolution procedures are cumulative and not exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn, or resolved by any mechanism approved by the Bankruptcy Court.

E. Adjustment to Claims Without Objection

Any duplicate Claim or Interest or any Claim or Interest that has been paid or satisfied, or any Claim or Interest that has been amended or superseded, cancelled or otherwise expunged (including pursuant to the Plan), may be adjusted or expunged (including on the Claims Register, to the extent applicable) by the Reorganized Debtors without a Claims objection having to be Filed and without any further notice to or action, order or approval of the Bankruptcy Court. Additionally, any Claim or Interest that is duplicative or redundant with another Claim against or Interest in the same Debtor or another Debtor may be adjusted or expunged on the Claims Register by the Reorganized Debtors without the Reorganized Debtors having to File an application, motion, complaint, objection, or any other legal proceeding seeking to object to such Claim or Interest and without any further notice to or action, order, or approval of the Bankruptcy Court.

F. Time to File Objections to Claims

Any objections to Claims shall be Filed no later than the Claims Objection Bar Date.

G. Disallowance of Claims

Any Claims or Interests held by Entities from which property is recoverable under section 542, 543, 550, or 553 of the Bankruptcy Code, or that is a transferee of a transfer avoidable under section 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of the Bankruptcy Code, shall be deemed disallowed pursuant to section 502(d) of the Bankruptcy Code, and Holders of such Claims or Interests may not receive any distributions on account of such Claims until such time as such Causes of Action against that Entity have been settled or a Bankruptcy Court order with respect thereto has been entered and all sums due, if any, to the Debtors by that Entity have been turned over or paid to the Reorganized Debtors. All Claims Filed on account of an indemnification obligation to a director, officer, or employee shall be deemed satisfied and expunged from the Claims Register as of the Effective Date to the extent such indemnification obligation is assumed (or honored or reaffirmed, as the case may be) pursuant to the Plan, without any further notice to or action, order, or approval of the Bankruptcy Court.

Except as provided herein or otherwise agreed, any and all Proofs of Claim Filed after the Claims Bar Date or the Administrative Claims Bar Date, as appropriate, shall be deemed disallowed and expunged as of the Effective Date without any further notice to or action, order, or approval of the Bankruptcy Court, and Holders of such Claims may not receive any distributions on account of such Claims, unless such late Proof of Claim has been deemed timely Filed by a Final Order.

H. Amendments to Claims

On or after the Claims Bar Date or the Administrative Claims Bar Date, as appropriate, a Claim may not be Filed or amended without the prior authorization of the Bankruptcy Court or the Reorganized Debtors. Absent such authorization, any new or amended Claim Filed shall be deemed disallowed in full and expunged without any further notice to or action, order, or approval of the Bankruptcy Court to the maximum extent provided by applicable law.

I. No Distributions Pending Allowance

If an objection to a Claim or portion thereof is Filed as set forth in Article VII.B, no payment or distribution provided under the Plan shall be made on account of such Claim or portion thereof unless and until such Disputed Claim becomes an Allowed Claim.

J. Distributions After Allowance

To the extent that a Disputed Claim ultimately becomes an Allowed Claim or Allowed Interest, distributions (if any) shall be made to the Holder of such Allowed Claim or Allowed Interest (as applicable) in accordance with the provisions of the Plan. As soon as practicable after the date that the order or judgment of the Bankruptcy Court allowing any Disputed Claim or Disputed Interest becomes a Final Order, the Disbursing Agent shall provide to the Holder of such Claim or Interest the distribution (if any) to which such Holder is entitled under the Plan as of the

Effective Date, without any interest, dividends, or accruals to be paid on account of such Claim or Interest unless required under applicable bankruptcy law.

ARTICLE VIII.
SETTLEMENT, RELEASE, INJUNCTION, AND RELATED PROVISIONS

A. Discharge of Claims and Termination of Interests

Pursuant to, and to the maximum extent provided by, section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan or in any contract, instrument, or other agreement or document created pursuant to the Plan, the distributions, rights, and treatment that are provided in the Plan shall be in complete satisfaction, discharge, and release, effective as of the Effective Date, of Claims (including any Intercompany Claims resolved or compromised after the Effective Date by the Reorganized Debtors), Interests, and Causes of Action of any nature whatsoever, including any interest accrued on Claims or Interests from and after the Petition Date, whether known or unknown, against, liabilities of, Liens on, obligations of, rights against, and Interests in, the Debtors or any of their assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims and Interests, including demands, liabilities, and Causes of Action that arose before the Effective Date, any liability (including withdrawal liability) to the extent such Claims or Interests relate to services performed by current or former employees of the Debtors prior to the Effective Date and that arise from a termination of employment, any contingent or non-contingent liability on account of representations or warranties issued on or before the Effective Date, and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not: (1) a Proof of Claim or Proof of Interest based upon such debt, right, or Interest is Filed or deemed Filed pursuant to section 501 of the Bankruptcy Code; (2) a Claim or Interest based upon such debt, right, or Interest is Allowed pursuant to section 502 of the Bankruptcy Code; or (3) the Holder of such a Claim or Interest has accepted the Plan. Any default or "event of default" by the Debtors or their Affiliates with respect to any Claim or Interest that existed immediately prior to or on account of the filing of the Chapter 11 Cases shall be deemed cured on the Effective Date. The Confirmation Order shall be a judicial determination of the discharge of all Claims and Interests subject to the occurrence of the Effective Date.

B. Release of Liens

Except as otherwise provided in the Exit Facility Documents, the Plan, the Plan Supplement, or any contract, instrument, release, or other agreement or document created pursuant to the Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to the Plan and, in the case of an Other Secured Claim (other than any Claim secured by the Administration Charge) or Secured Tax Claim, satisfaction in full of the portion of the Other Secured Claim (other than any Claim secured by the Administration Charge) or Secured Tax Claim that is Allowed as of the Effective Date and required to be satisfied pursuant to the Plan, except for Other Secured Claims (other than any Claim secured by the Administration Charge) that the Debtors elect to reinstate in accordance with Article III.B.1 hereof, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estates shall be fully released, settled, compromised, and discharged, and all of the right, title, and interest of any Holder of such mortgages, deeds of trust, Liens, pledges, or other security interests shall revert automatically to the applicable Debtor and its successors and assigns. Any Holder of such Secured Claim (and the applicable agents for such Holder) shall be authorized and directed to release any collateral or other property of any Debtor (including any cash collateral and possessory collateral) held by such Holder (and the applicable agents for such Holder), and to take such actions as may be reasonably requested by the Reorganized Debtors to evidence the release of such Lien, including the execution, delivery, and filing or recording of such releases. The presentation or filing of the Confirmation Order to or with any federal, state, provincial, or local agency or department shall constitute good and sufficient evidence of, but shall not be required to effect, the termination of such Liens.

C. Debtor Release

Effective as of the Effective Date, pursuant to section 1123(b) of the Bankruptcy Code, for good and valuable consideration, including the service of the Released Parties in facilitating the expeditious reorganization of the Debtor and implementation of the restructuring contemplated by the Plan, the adequacy

of which is hereby confirmed, on and after the Effective Date each Released Party is deemed released and discharged by each and all of the Debtors, the Reorganized Debtors, and their Estates, in each case on behalf of themselves and their respective successors, assigns, and representatives, and any and all other Entities who may purport to assert any Cause of Action, directly or derivatively, by, through, for, or because of the foregoing Entities, from any and all Claims, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, including any derivative claims, asserted or assertable on behalf of any of the Debtors, the Reorganized Debtors, or their Estates, as applicable, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, that the Debtors, the Reorganized Debtors, or their Estates or Affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim against, or Interest in, a Debtor or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions, the Restructuring Transactions, the Sale Transaction (if applicable), entry into the Exit Facilities, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, filing, or consummation of the RSA, the Disclosure Statement, the Prepetition Facilities, the DIP Facilities, the Sale Transaction (if applicable), the Exit Facilities, the Plan, the Plan Supplement, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the RSA, the Disclosure Statement, the Prepetition Facilities, the DIP Facilities, or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, other than claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes actual fraud, willful misconduct, or gross negligence, each solely to the extent as determined by a Final Order of a court of competent jurisdiction. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release (1) any post-Effective Date obligations of any party or Entity under the Plan, any Restructuring Transaction, or any document, instrument, or agreement (including the Exit Facility Documents and any documents set forth in the Plan Supplement) executed to implement the Plan and (2) any Causes of Action listed on the Schedule of Retained Causes of Action.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Debtor Release, which includes by reference each of the related provisions and definitions contained in this Plan, and further, shall constitute the Bankruptcy Court's finding that each Debtor Release is: (1) in exchange for the good and valuable consideration provided by the Released Parties, (2) a good-faith settlement and compromise of such Claims; (3) in the best interests of the Debtors and all Holders of Claims and Interests; (4) fair, equitable, and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to any of the Debtors or Reorganized Debtors or their respective Estates asserting any claim, Cause of Action, or liability related thereto, of any kind whatsoever, against any of the Released Parties or their property.

D. Third-Party Release

Effective as of the Effective Date, in exchange for good and valuable consideration, including the obligations of the Debtors under the Plan and the contributions of the Released Parties in facilitating the expeditious reorganization of the Debtors and the implementation of the restructuring contemplated by the Plan, to the fullest extent permissible under applicable law, as such law may be extended or integrated after the Effective Date, on and after the Effective Date each of the Releasing Parties shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever, released and discharged each Debtor, Reorganized Debtor, and Released Party from any and all Claims, interests, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, including any derivative claims, asserted or assertable on behalf of any of the Debtors, the Reorganized Debtors, or their Estates, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the purchase, sale, or rescission of the purchase or sale

of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions, the Restructuring Transactions, the Sale Transaction (if applicable), entry into the Exit Facilities, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, filing, or consummation of the RSA, the Disclosure Statement, the DIP Facilities, the Sale Transaction (if applicable), the Exit Facilities, the Plan, the Plan Supplement, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the RSA, the Disclosure Statement, the DIP Facilities, or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, other than claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes actual fraud, willful misconduct, or gross negligence, each solely to the extent as determined by a Final Order of a court of competent jurisdiction. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release any post-Effective Date obligations of any party or Entity under the Plan, any Restructuring Transaction, or any document, instrument, or agreement (including the Exit Facility Documents and any documents set forth in the Plan Supplement) executed to implement the Plan.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Third-Party Release, which includes by reference each of the related provisions and definitions contained in this Plan, and further, shall constitute the Bankruptcy Court's finding that each Third-Party Release is: (1) in exchange for the good and valuable consideration provided by the Released Parties, (2) a good-faith settlement and compromise of such Claims; (3) in the best interests of the Debtors and all Holders of Claims and Interests; (4) fair, equitable, and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to any of the Debtors or Reorganized Debtors or their respective Estates asserting any claim, Cause of Action, or liability related thereto, of any kind whatsoever, against any of the Released Parties or their property.

E. Exculpation

Effective as of the Effective Date, to the fullest extent permissible under applicable law and without affecting or limiting either the Debtor Release or the Third-Party Release, and except as otherwise specifically provided in the Plan, no Exculpated Party shall have or incur, and each Exculpated Party is hereby exculpated from, any Cause of Action for any Claim related to any act or omission based on the negotiation, execution, and implementation of any transactions approved by the Bankruptcy Court in the Chapter 11 Cases, including the RSA, the Disclosure Statement, the Plan, the Plan Supplement, the Confirmation Order, or any Restructuring Transaction, contract, instrument, release, or other agreement or document contemplated by the Plan or the reliance by any Exculpated Party on the Plan or the Confirmation Order, created or entered into in connection with the RSA, the Disclosure Statement, or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance of any securities pursuant to the Plan or the distribution of property under the Plan or any other related agreement, and the implementation of the Restructuring Transactions contemplated by the Plan, except for Claims related to any act or omission that is determined by Final Order to have constituted actual fraud, willful misconduct, or gross negligence, but in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan. The Exculpated Parties have, and upon completion of the Plan shall be deemed to have, participated in good faith and in compliance with the applicable laws with regard to the solicitation of votes on, and distribution of consideration pursuant to, the Plan and, therefore, are not, and on account of such distributions shall not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan. Notwithstanding the foregoing, the exculpation shall not release any obligation or liability of any Entity for any post-Effective Date obligation under the Plan or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan.

F. Injunction

Effective as of the Effective Date, pursuant to section 524(a) of the Bankruptcy Code, to the fullest extent permissible under applicable law, and except as otherwise expressly provided in the Plan or for obligations issued or required to be paid pursuant to the Plan or the Confirmation Order, all Entities who have held, hold, or may hold Claims or Interests that have been discharged pursuant to Article VIII.A of the Plan, released pursuant to the Debtor Release, the Third-Party Release, or another provision of the Plan (including the release of liens pursuant to Article VIII.B of the Plan), or are subject to exculpation pursuant to Article VIII.E of the Plan, are permanently enjoined, from and after the Effective Date, from taking any of the following actions against, as applicable, the Debtors, the Reorganized Debtors, the Exculpated Parties, or the Released Parties: (1) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests; (2) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against such Entities on account of or in connection with or with respect to any such Claims or Interests; (3) creating, perfecting, or enforcing any encumbrance of any kind against such Entities or the property or the estates of such Entities on account of or in connection with or with respect to any such Claims or Interests; (4) asserting any right of setoff, subrogation, or recoupment of any kind, against any obligation due from such Entities or against the property of such Entities on account of or in connection with or with respect to any such Claims or Interests unless such Holder has Filed a motion requesting the right to perform such setoff on or before the Effective Date, and notwithstanding an indication of a Claim or Interest or otherwise that such Holder asserts, has, or intends to preserve any right of setoff pursuant to applicable law or otherwise; and (5) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests released or settled pursuant to the Plan.

Upon entry of the Confirmation Order and recognition by the Canadian Court of the Confirmation Order in the Recognition Proceedings, all Holders of Claims and Interests and their respective current and former employees, agents, officers, directors, principals, and direct and indirect affiliates shall be enjoined from taking any actions to interfere with the implementation or Consummation of the Plan. Each Holder of an Allowed Claim or Allowed Interest, as applicable, by accepting, or being eligible to accept, distributions under or Reinstatement of such Claim or Interest, as applicable, pursuant to the Plan, shall be deemed to have consented to the injunction provisions set forth in this Article VIII.F of the Plan.

G. Protections Against Discriminatory Treatment

To the maximum extent provided by section 525 of the Bankruptcy Code and the Supremacy Clause of the U.S. Constitution, all Entities, including Governmental Units, shall not discriminate against the Reorganized Debtors or deny, revoke, suspend, or refuse to renew a license, permit, charter, franchise, or other similar grant to, condition such a grant to, discriminate with respect to such a grant against, the Reorganized Debtors, or another Entity with whom the Reorganized Debtors have been associated, solely because each Debtor has been a debtor under chapter 11 of the Bankruptcy Code, has been insolvent before the commencement of the Chapter 11 Cases (or during the Chapter 11 Cases but before the Debtors are granted or denied a discharge), or has not paid a debt that is dischargeable in the Chapter 11 Cases.

H. Document Retention

On and after the Effective Date, the Reorganized Debtors may maintain documents in accordance with their standard document retention policy, as may be altered, amended, modified, or supplemented by the Reorganized Debtors.

I. Reimbursement or Contribution

If the Bankruptcy Court disallows a Claim for reimbursement or contribution of an Entity pursuant to section 502(e)(1)(B) of the Bankruptcy Code, then to the extent that such Claim is contingent as of the time of allowance or disallowance, such Claim shall be forever disallowed and expunged notwithstanding section 502(j) of the Bankruptcy Code, unless prior to the Confirmation Date: (1) such Claim has been adjudicated as non-contingent

or (2) the relevant Holder of a Claim has Filed a non-contingent Proof of Claim on account of such Claim and a Final Order has been entered prior to the Confirmation Date determining such Claim as no longer contingent.

J. Term of Injunctions or Stays

Unless otherwise provided in the Plan or in the Confirmation Order, all injunctions or stays in effect in the Chapter 11 Cases pursuant to sections 105 or 362 of the Bankruptcy Code or any order of the Bankruptcy Court, and extant on the Confirmation Date (excluding any injunctions or stays contained in the Plan or the Confirmation Order), shall remain in full force and effect until the Effective Date. All injunctions or stays contained in the Plan or the Confirmation Order shall remain in full force and effect in accordance with their terms.

K. Subordination Rights

The classification and manner of satisfying all Claims and Interests under the Plan take into consideration all subordination rights, whether arising under general principles of equitable subordination, contract, section 510(c) of the Bankruptcy Code, or otherwise, that a Holder of a Claim or Interest may have against other Claim or Interest holders with respect to any distribution made pursuant to the Plan. Except as provided in the Plan, all subordination rights that a Holder of a Claim may have with respect to any distribution to be made pursuant to the Plan shall be discharged and terminated, and all actions related to the enforcement of such subordination rights shall be permanently enjoined.

Pursuant to Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided under the Plan, the provisions of the Plan shall constitute a good faith compromise and settlement of all claims or controversies relating to the subordination rights that a Holder of a Claim may have with respect to any Allowed Claim or any distribution to be made pursuant to the Plan on account of any Allowed Claim. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, as of the Effective Date, of the compromise or settlement of all such claims or controversies and the Bankruptcy Court's finding that such compromise or settlement is in the best interests of the Debtors, the Estates, the Reorganized Debtors, their respective property, and Holders of Claims and Interests and is fair, equitable, and reasonable.

ARTICLE IX.
CONDITIONS PRECEDENT TO CONSUMMATION OF THE PLAN

A. Conditions Precedent to the Effective Date

It shall be a condition to the Effective Date of the Plan that the following conditions shall have been satisfied or waived pursuant to the provisions of Article IX.B hereof:

1. the Bankruptcy Court shall have entered the Confirmation Order and the Confirmation Order shall have been recognized by an order of the Canadian Court in the Recognition Proceedings, and such orders shall not have been stayed, modified, or vacated on appeal;

2. the Debtors shall have obtained all authorizations, consents, regulatory approvals, rulings, or documents that are necessary to implement and effectuate the Plan;

3. the Professional Fee Escrow Account shall have been established and funded with the Professional Fee Escrow Amount;

4. if applicable, the Exit Facility Documents shall have been executed and delivered by all of the Entities that are parties thereto, and all conditions precedent (other than any conditions related to the occurrence of the Effective Date) to the consummation of the Exit Facilities shall have been waived or satisfied in accordance with the terms thereof, and the closing of the Exit Facilities (and the payment in full of the DIP ABL Claims pursuant to the Payoff Letter) shall be deemed to occur concurrently with the occurrence of the Effective Date;

5. if applicable, the New Organizational Documents shall have been executed and delivered by each Entity party thereto and shall be in full force and effect, and the issuance of the New Interests shall be deemed to occur concurrently with the occurrence of the Effective Date; and

6. if applicable, all conditions precedent to the consummation of the Sale Transaction shall have been satisfied in accordance with the terms thereof, and the closing of the Sale Transaction shall be deemed to occur concurrently with the occurrence of the Effective Date.

B. Waiver of Conditions

Subject to and without limiting the rights of each party to the RSA, the conditions to Consummation set forth in Article IX may be waived by the Debtors with the reasonable consent of the Term Loan Agent, the Required Term Lenders, the DIP ABL Agent (solely with respect to the economic and non-economic treatment of the DIP ABL Agent and DIP ABL Lenders pursuant to such order), the Committee (solely with respect to the economic and non-economic treatment of General Unsecured Claims), and the Sponsor (solely with respect to the economic and non-economic treatment of the Last Out Loans or the Last Out DIP Loans, as applicable) without notice, leave, or order of the Bankruptcy Court or any formal action other than proceeding to confirm or consummate the Plan.

C. Substantial Consummation

"Substantial Consummation" of the Plan, as defined in section 1102(2) of the Bankruptcy Code, with respect to any of the Debtors, shall be deemed to occur on the Effective Date.

D. Effect of Failure of Conditions

If the Effective Date of the Plan does not occur, the Plan shall be null and void in all respects and nothing contained in the Plan or the Disclosure Statement shall: (1) constitute a waiver or release of any Claims by the Debtors, any Holders, or any other Entity; (2) prejudice in any manner the rights of the Debtors, any Holders, or any other Entity; or (3) constitute an admission, acknowledgment, offer, or undertaking by the Debtors, any Holders, or any other Entity in any respect.

ARTICLE X.
MODIFICATION, REVOCATION, OR WITHDRAWAL OF THE PLAN

A. Modification and Amendments

Except as otherwise specifically provided in the Plan, the Debtors, with the reasonable consent of the Term Loan Agent, Required Term Lenders, the DIP ABL Agent (solely with respect to the economic and non-economic treatment of the DIP ABL Agent and DIP ABL Lenders pursuant to such order), the Committee (solely with respect to the economic and non-economic treatment of General Unsecured Claims), or the Sponsor (solely with respect to the economic and non-economic treatment of the Last Out Loans or the Last Out DIP Loans, as applicable), reserve the right to modify the Plan, whether such modification is material or immaterial, and seek Confirmation consistent with the Bankruptcy Code and, as appropriate, not re-solicit votes on such modified Plan. Subject to certain restrictions and requirements set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019 (as well as those restrictions on modifications set forth in the Plan), the Debtors expressly reserve their respective rights to revoke or withdraw, to alter, amend, or modify the Plan with respect to each Debtor, one or more times, before or after Confirmation, and, to the extent necessary, may initiate proceedings in the Bankruptcy Court to so alter, amend, or modify the Plan, or remedy any defect or omission or reconcile any inconsistencies in the Plan, the Disclosure Statement, or the Confirmation Order, in such matters as may be necessary to carry out the purposes and intent of the Plan.

B. Effect of Confirmation on Modifications

Entry of a Confirmation Order shall mean that all modifications or amendments to the Plan since the solicitation thereof are approved pursuant to section 1127(a) of the Bankruptcy Code and do not require additional disclosure or re-solicitation under Bankruptcy Rule 3019.

C. Revocation or Withdrawal of Plan

The Debtors reserve the right to revoke or withdraw the Plan before the Confirmation Date and to file subsequent plans, in each case subject to any applicable consent rights as set forth in the RSA, the DIP Orders, or the DIP Facilities. If the Debtors revoke or withdraw the Plan, or if Confirmation or Consummation does not occur, then: (1) the Plan shall be null and void in all respects; (2) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain of the Claims or Interests or Class of Claims or Interests), assumption, assumption and assignment, or rejection of Executory Contracts or Unexpired Leases effected by the Plan, and any document or agreement executed pursuant to the Plan, shall be deemed null and void; and (3) nothing contained in the Plan shall: (a) constitute a waiver or release of any Claims, Causes of Action, or Interests; (b) prejudice in any manner the rights of such Debtor, any Holder, or any other Entity; or (c) constitute an admission, acknowledgement, offer, or undertaking of any sort by such Debtor, any Holder, or any other Entity.

ARTICLE XI.
RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, on and after the Effective Date, to the extent legally permissible, the Bankruptcy Court shall retain exclusive jurisdiction over all matters arising out of, or related to, the Chapter 11 Cases and the Plan pursuant to sections 105(a) and 1142 of the Bankruptcy Code, including jurisdiction to:

1. allow, disallow, determine, liquidate, classify, estimate, or establish the priority, Secured or unsecured status, or amount of any Claim or Interest, including the resolution of any request for payment of any Administrative Claim and the resolution of any and all objections to the Secured or unsecured status, priority, amount, or allowance of Claims or Interests;

2. decide and resolve all matters related to the granting and denying, in whole or in part, any applications for allowance of compensation or reimbursement of expenses to Professionals (including Accrued Professional Compensation Claims) authorized pursuant to the Bankruptcy Code or the Plan;

3. resolve any matters related to: (a) the assumption, assumption and assignment, or rejection of any Executory Contract or Unexpired Lease to which a Debtor is party or with respect to which a Debtor may be liable and to hear, determine, and, if necessary, liquidate, any Claims arising therefrom, including cure Claims pursuant to section 365 of the Bankruptcy Code; (b) any potential contractual obligation under any Executory Contract or Unexpired Lease that is assumed (or assumed and assigned); (c) the Reorganized Debtors amending, modifying or supplementing, after the Effective Date, pursuant to Article V, the Executory Contracts and Unexpired Leases to be assumed (or assumed and assigned) or rejected or otherwise; and (d) any dispute regarding whether a contract or lease is or was executory, expired, or terminated;

4. ensure that distributions to Holders of Allowed Claims and Interests are accomplished pursuant to the provisions of the Plan;

5. adjudicate, decide, or resolve any motions, adversary proceedings, contested or litigated matters, and any other matters, and grant or deny any applications involving a Debtor that may be pending on the Effective Date;

6. adjudicate, decide, or resolve any and all matters related to section 1141 of the Bankruptcy Code;

7. enter and implement such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of the Plan and all contracts, instruments, releases, indentures, and other agreements or documents created in connection with the Plan, the Plan Supplement, the Disclosure Statement, or the Confirmation Order;

8. enter and enforce any order for the sale of property pursuant to sections 363, 1123, or 1146(a) of the Bankruptcy Code;

9. resolve any cases, controversies, suits, disputes, or Causes of Action that may arise in connection with Consummation, including interpretation or enforcement of the Plan or any Entity's obligations incurred in connection with the Plan;

10. issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any Entity with Consummation or enforcement of the Plan;

11. resolve any cases, controversies, suits, disputes or Causes of Action with respect to the releases, injunctions and other provisions contained in Article VIII, and enter such orders as may be necessary or appropriate to implement such releases, injunctions and other provisions;

12. resolve any cases, controversies, suits, disputes or Causes of Action with respect to the repayment or return of distributions and the recovery of additional amounts owed by the Holder of a Claim for amounts not timely repaid in accordance with the Plan;

13. enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;

14. determine any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order, or, subject to any applicable forum selection clauses, any contract, instrument, release, indenture, or other agreement or document created in connection with the Plan or the Disclosure Statement;

15. enter an order or Final Decree concluding or closing any of the Chapter 11 Cases;

16. adjudicate any and all disputes arising from or relating to distributions under the Plan;

17. consider any modifications of the Plan, to cure any defect or omission or to reconcile any inconsistency in any Bankruptcy Court order, including the Confirmation Order;

18. determine requests for the payment of Claims entitled to priority pursuant to section 507 of the Bankruptcy Code;

19. hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Plan or the Confirmation Order or any Entity's obligations incurred in connection with the Plan, including, subject to any applicable forum selection clauses, disputes arising under agreements, documents, or instruments executed in connection with the Plan;

20. hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Restructuring Transactions, whether they occur before, on or after the Effective Date;

21. hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;

22. hear and determine all disputes involving the existence, nature, scope, or enforcement of any exculpations, discharges, injunctions, and releases granted in connection with and under the Plan, including under Article VIII;

23. enforce all orders previously entered by the Bankruptcy Court; and

24. hear any other matter not inconsistent with the Bankruptcy Code.

ARTICLE XII.
MISCELLANEOUS PROVISIONS

A. Immediate Binding Effect

Subject to Article IX.A and notwithstanding Bankruptcy Rules 3020(e), 6004(h), or 7062 or otherwise, upon the occurrence of the Effective Date, the terms of the Plan and the Plan Supplement shall be immediately effective and enforceable and deemed binding upon the Debtors, the Reorganized Debtors, and any and all Holders of Claims or Interests (irrespective of whether their Claims or Interests are deemed to have accepted the Plan), all Entities that are parties to or are subject to the settlements, compromises, releases, discharges, and injunctions described in the Plan, each Entity acquiring property under the Plan and any and all non-Debtor parties to Executory Contracts and Unexpired Leases with the Debtors.

B. Additional Documents

On or before the Effective Date, the Debtors may File with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan. The Debtors or Reorganized Debtors, as applicable, and all Holders receiving distributions pursuant to the Plan and all other parties in interest may, from time to time, prepare, execute, and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provisions and intent of the Plan.

C. Payment of Statutory Fees

Each of the Debtors (or the Disbursing Agent on behalf of each of the Debtors) shall pay all fees payable pursuant to section 1930(a)(6) of the Judicial Code, together with any interest thereon pursuant to 31 U.S.C. § 3717, on or before the Effective Date in Cash, based on disbursements in and outside the ordinary course of the Debtors' business and Plan payments. Thereafter, such fees and any applicable interest shall be paid by each of the Reorganized Debtors (or the Disbursing Agent on behalf of each of the Reorganized Debtors) until the earlier of entry of a final decree closing such Chapter 11 Case or an order of dismissal or conversion, whichever occurs first.

D. Statutory Committee and Cessation of Fee and Expense Payment

On the Effective Date, the Committee shall dissolve automatically and the members thereof shall be released and discharged from all rights, duties, responsibilities, and liabilities arising on or prior to the Effective Date, from, or related to, the Chapter 11 Cases and under the Bankruptcy Code, except for the limited purpose of prosecuting requests for payment of Professional Fee Claims for services and reimbursement of expenses incurred prior to the Effective Date by the Committee and its Professionals. The Reorganized Debtors shall no longer be responsible for paying any fees or expenses incurred by the members of or advisors to the Creditors' Committee after the Effective Date.

E. Reservation of Rights

Except as expressly set forth in the Plan, the Plan shall have no force or effect unless the Bankruptcy Court enters the Confirmation Order, and the Confirmation Order shall have no force or effect if the Effective Date does not occur. None of the Filing of the Plan, any statement or provision contained in the Plan or the taking of any action by any Debtor with respect to the Plan, the Disclosure Statement or the Plan Supplement shall be or shall be deemed to be an admission or waiver of any rights of any Debtor with respect to the Holders unless and until the Effective Date has occurred.

F. Successors and Assigns

The rights, benefits, and obligations of any Entity named or referred to in the Plan or the Confirmation Order shall be binding on, and shall inure to the benefit of any heir, executor, administrator, successor or assign, Affiliate, officer, director, agent, representative, attorney, beneficiaries, or guardian, if any, of each Entity.

G. Notices

To be effective, all notices, requests, and demands to or upon the Debtors shall be in writing (including by facsimile transmission) and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered by courier or registered or certified mail (return receipt requested) or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed to the following:

1. If to the Debtors, to:

Hollander Sleep Products, LLC
901 Yamato Road, Suite 250
Boca Raton, Florida 33431
Attention: Marc L. Pfefferle
E-mail: mpfefferle@carlmarks.com

with copies (which shall not constitute notice) to:

Kirkland & Ellis LLP
601 Lexington Avenue
New York, New York 10022
Attention: Joshua A. Sussberg, P.C.
Christopher T. Greco, P.C.
E-mail: joshua.sussberg@kirkland.com
christopher.greco@kirkland.com

- and -

Kirkland & Ellis LLP
300 North LaSalle
Chicago, Illinois 60654
Attention: Joseph M. Graham
Laura Krucks
E-mail: joe.graham@kirkland.com
laura.krucks@kirkland.com

2. If to the ABL Agent or DIP ABL Agent, to:

Goldberg Kohn Ltd.
55 East Monroe, Suite 3300
Chicago, Illinois 60603
Attention: Randall Klein
E-mail address: Randall.Klein@goldbergkohn.com

3. If to the Term Loan Agent or the DIP Term Agent, to:

King & Spalding LLP
1180 Peachtree Street, NE Suite 1600
Atlanta, Georgia 30309
Attention: W. Austin Jowers
E-mail address: ajowers@kslaw.com

-and -

King & Spalding LLP
1185 Avenue of the Americas
New York, New York 10036
Attention: Christopher G. Boies
Stephen M. Blank
E-mail address: cboies@kslaw.com
sblank@kslaw.com

4. If to the Committee, to:

Pachulski Stang Ziehl & Jones, LLP
780 Third Avenue, Suite 3400
New York, New York 10027
Attn: Robert J. Feinstein
Bradford J. Sandler
Email: rfeinstein@pszjlaw.com
bsandler@pszjlaw.com

After the Effective Date, the Reorganized Debtors may notify Entities that, to continue to receive documents pursuant to Bankruptcy Rule 2002, such Entity must File a renewed request to receive documents pursuant to Bankruptcy Rule 2002. After the Effective Date, the Debtors are authorized to limit the list of Entities receiving documents pursuant to Bankruptcy Rule 2002 to those Entities who have Filed such renewed requests.

H. Entire Agreement

Except as otherwise indicated, the Plan and the Plan Supplement supersede all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations on such subjects, all of which have become merged and integrated into the Plan. If the Effective Date does not occur, nothing herein shall be construed as a waiver by any party in interest of any or all of such party's rights, remedies, claims, and defenses, and such parties expressly reserve any and all of their respective rights, remedies, claims and, defenses. This Plan and the documents comprising the Plan Supplement, including any drafts thereof (and any discussions, correspondence, or negotiations regarding any of the foregoing) shall in no event be construed as, or be deemed to be, evidence of an admission or concession on the part of any party in interest of any claim or fault or liability or damages whatsoever. Pursuant to Federal Rule of Evidence 408 and any applicable state rules of evidence, all negotiations, discussions, agreements, settlements, and compromises reflected in or related to Plan and the documents comprising the Plan Supplement is part of a proposed settlement of matters that could otherwise be the subject of litigation among various parties in interest, and such negotiations, discussions, agreements, settlements, and compromises shall not be admissible into evidence in any proceeding other than a proceeding to enforce the terms of the Plan and the documents comprising the Plan Supplement.

I. Exhibits

All exhibits and documents included in the Plan Supplement are incorporated into and are a part of the Plan as if set forth in full in the Plan. After the exhibits and documents are Filed, copies of such exhibits and documents shall be available upon written request to the Debtors' counsel at the address above or by downloading such exhibits and documents from the website of the Notice and Claims Agent at www.omnimgt.com/cases/hollander or (for a fee) the Bankruptcy Court's website at http://www.ecf.nysb.uscourts.gov/. To the extent any exhibit or document is inconsistent with the terms of the Plan, unless otherwise ordered by the Bankruptcy Court, the non-exhibit or non-document portion of the Plan shall control. The documents contained in the Plan Supplement are an integral part of the Plan and shall be deemed approved by the Bankruptcy Court pursuant to the Confirmation Order. For the

avoidance of doubt, no provisions of the Plan Supplement may contradict the provisions under the Plan that require payment in full (in accordance with Section 1.4 of the DIP ABL Credit Agreement) of the DIP ABL Claims.

J. Non-Severability of Plan Provisions

The provisions of the Plan, including its release, injunction, exculpation, and compromise provisions, are mutually dependent and non-severable. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is: (1) valid and enforceable pursuant to its terms; (2) integral to the Plan and may not be deleted or modified without the consent of the Debtors, consistent with the terms set forth herein; and (3) non-severable and mutually dependent.

K. Votes Solicited in Good Faith

Upon entry of the Confirmation Order, the Debtors will be deemed to have solicited votes on the Plan in good faith and in compliance with the Bankruptcy Code, and pursuant to section 1125(e) of the Bankruptcy Code, the Debtors and each of their respective affiliates, agents, representatives, members, principals, shareholders, officers, directors, employees, advisors, and attorneys will be deemed to have participated in good faith and in compliance with the Bankruptcy Code in the offer, issuance, sale, and purchase of Securities offered and sold under the Plan and any previous plan and, therefore, no such parties will have any liability for the violation of any applicable law, rule, or regulation governing the solicitation of votes on the Plan or the offer, issuance, sale, or purchase of the Securities offered and sold under the Plan or any previous plan.

L. Closing of Chapter 11 Cases

The Reorganized Debtors shall, promptly after the full administration of the Chapter 11 Cases, File with the Bankruptcy Court all documents required by Bankruptcy Rule 3022 and any applicable order necessary to close the Chapter 11 Cases.

M. Conflicts

Except as set forth in the Plan, to the extent that any provision of the Disclosure Statement, the Plan Supplement, or any other order (other than the Confirmation Order) referenced in the Plan (or any exhibits, schedules, appendices, supplements, or amendments to any of the foregoing), conflict with or are in any way inconsistent with any provision of the Plan, the Plan shall govern and control. In the event of an inconsistency between the Confirmation Order and the Plan, the Confirmation Order shall control.

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Hollander Sleep Products, LLC

By: */s/ Marc L. Pfefferle*
Name: Marc L. Pfefferle
Title: Chief Executive Officer

Exhibit B

Corporate Structure Chart

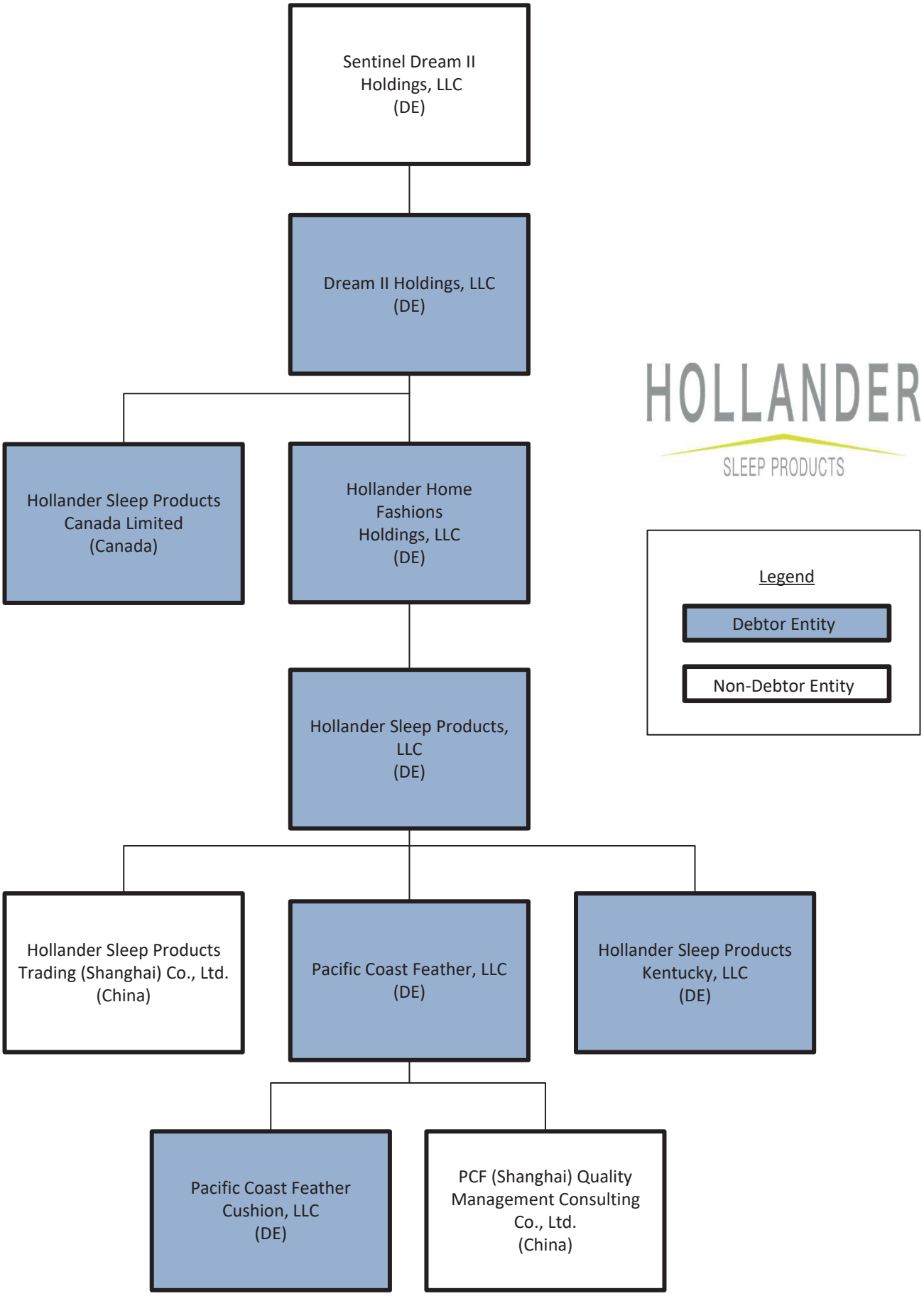
Sentinel Dream II Holdings, LLC (DE)
Dream II Holdings, LLC (DE)
HOLLANDER
SLEEP PRODUCTS
Hollander Sleep Products Canada Limited (Canada)
Hollander Home Fashions Holdings, LLC (DE)
Legend
Debtor Entity
Non-Debtor Entity
Hollander Sleep Products, LLC (DE)
Hollander Sleep Products Trading (Shanghai) Co., Ltd. (China)
Pacific Coast Feather, LLC (DE)
Hollander Sleep Products Kentucky, LLC (DE)
Pacific Coast Feather Cushion, LLC (DE)
PCF (Shanghai) Quality Management Consulting Co., Ltd. (China)

Exhibit C

Amended and Restated Restructuring Support Agreement

EXECUTION VERSION

AMENDED AND RESTATED RESTRUCTURING SUPPORT AND SETTLEMENT AGREEMENT

This AMENDED AND RESTATED RESTRUCTURING SUPPORT AND SETTLEMENT AGREEMENT (as may be amended, restated, supplemented, or otherwise modified from time to time in accordance with the terms hereof, and including the exhibits hereto, this "Agreement"), dated as of July 21, 2019, is entered into by and among the following parties (each, a "Party" and, collectively, the "Parties"):

i. Dream II Holdings, LLC together with certain of its direct and indirect subsidiaries (collectively, the "Company");

ii. the undersigned holders of claims (and together with their respective successors and permitted assigns, the "Consenting Term Loan Lenders") under the Term Loan Credit Agreement (as defined herein);

iii. the official committee of unsecured creditors appointed in the Chapter 11 Cases (as defined herein) (the "Committee"); and

iv. Sentinel Capital Partners, LLC, on behalf of itself and each of its affiliated investment funds or investment vehicles managed or advised by it, and its affiliates that directly or indirectly hold interests in the Company (collectively, the "Sponsor").

RECITALS

WHEREAS, the Company, the Consenting Term Loan Lenders, and the Sponsor entered into that certain Restructuring Support Agreement, dated as of May 19, 2019 (the "Original RSA").

WHEREAS, the Parties desire to amend and restate the Original RSA in its entirety to incorporate a global settlement among the Parties, the terms of which are reflected in the settlement term sheet attached hereto as **Exhibit D** and are more fully set forth herein (the "Settlement").

WHEREAS, the Parties have engaged in good faith, arm's-length negotiations regarding certain restructuring transactions (the "Restructuring Transactions") pursuant to the terms and conditions set forth in this Agreement and the *Debtors' First Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* attached hereto as **Exhibit A** (including all exhibits thereto, and as may be amended, restated, supplemented, or otherwise modified from time to time in accordance with its terms or to implement the Sale Transaction as contemplated by this Agreement, the "Plan").

WHEREAS, the Restructuring Transactions will be implemented through the jointly administered voluntary cases commenced by the Company on May 19, 2019 (the "Chapter 11 Cases"), under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the "Bankruptcy Code"), in the United States Bankruptcy Court for the Southern District of

New York (the "Bankruptcy Court"), pursuant to the Plan filed by the Company in the Chapter 11 Cases.

WHEREAS, the Parties have agreed to support the Plan and the Restructuring Transactions contemplated by the Plan, including the conversion of all of the Term Loan Claims (as defined herein) into equity in the reorganized Company in full and final satisfaction of such Term Loan Claims, as provided for in the Plan.

WHEREAS, as part of the Settlement, the Parties also agreed to support alternatives to the Restructuring Transactions as set forth in this Agreement and the Plan.

WHEREAS, certain Consenting Term Loan Lenders, their affiliates, managed funds, or customer accounts (in their capacities as such, the "DIP Term Loan Lenders") have committed to provide a debtor-in-possession term loan credit facility (the "DIP Term Loan Credit Facility") and otherwise extend credit to the Company during the pendency of the Chapter 11 Cases and have agreed to the Company's use of cash collateral, which DIP Term Loan Credit Facility and use of cash collateral shall be on terms consistent with the commitment letter that is attached hereto as **Exhibit B** (the "DIP Term Loan Commitment Letter") and otherwise pursuant to the DIP Orders and the DIP Term Loan Credit Agreement (each as defined herein).

WHEREAS, certain Consenting Term Loan Lenders, their affiliates, managed funds, or customer accounts (in their capacities as such, the "Exit Term Loan Lenders") have committed to provide a new money term loan credit facility (the "Exit Term Loan Credit Facility") to the Company upon consummation of the Plan on terms consistent with, and in accordance with, the commitment letter attached hereto as **Exhibit C** (the "Exit Term Loan Commitment Letter").

WHEREAS, as of the date hereof, the Sponsor, either directly or indirectly, is controlling equity holder of Dream II Holdings, LLC (the "Sponsor Prepetition Equity Interests").

WHEREAS, Sentinel Capital Partners V, L.P., Sentinel Dream Blocker, Inc., and Sentinel Capital Investors V, L.P., as the Put Purchasers (as defined herein), entered into the Put Agreement (as defined herein) with the ABL Agent and SunTrust Bank (each as defined herein), pursuant to which the Put Purchasers agreed, upon the terms and conditions set forth therein, to purchase a participation in the Last Out Loans (as defined in the ABL Credit Agreement (as defined herein)) (the "Last Out Loans").

WHEREAS, the Put Purchasers have agreed to "roll" their participation in the Last Out Loans into a participation in the Last Out Loans in the DIP ABL Credit Facility (as defined herein) (such Last Out Loans under the DIP ABL Credit Agreement, the "DIP Last Out Loans"), and further agreed that, upon the terms and conditions set forth in the Participation Agreement (as defined in the DIP ABL Credit Agreement), such participation in the DIP Last Out Loans would elevate into an assignment of such DIP Last Out Loans pursuant to which the Put Purchasers would become a direct lender of such DIP Last Out Loans, and further agreed that the amounts owed to them on account of their DIP Last Out Loan Claims will, upon the effective date of a Plan and subject to the terms of the Plan, become part of the Exit ABL Facility (as defined herein) on a last out basis (on terms reasonably acceptable to each holder of an allowed

DIP Last Out Loan Claim) and with the same priority with respect to the ABL Priority Collateral and the Term Loan Priority Collateral (each as defined herein) as existed under the Intercreditor Agreement (as defined herein).

WHEREAS, each Party has reviewed the Plan, has agreed to the terms of the Restructuring Transactions on the terms set forth therein, and agrees that the following sets forth the agreement among the Parties concerning their respective rights and obligations in respect of the Restructuring Transactions.

NOW, THEREFORE, in consideration of the promises, mutual covenants, and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each of the Parties, intending to be legally bound, hereby agrees as follows:

The Original RSA is hereby amended and restated in its entirety, effective as of the Agreement Effective Date (as defined below), as set forth below:

AGREEMENT

1. **Definitions**. The following terms shall have the following definitions:

"ABL Agent" means Wells Fargo Bank, National Association, in its capacity as agent under the ABL Credit Agreement, solely in its capacity as such.

"ABL Credit Agreement" means that certain Third Amended and Restated Credit Agreement, dated as of June 9, 2017, by and among Hollander Home Fashions, LLC, Hollander Sleep Products, LLC, Hollander Sleep Products Kentucky, LLC, Hollander Sleep Products Canada Limited, Pacific Coast Feather Company, and Pacific Coast Feather Cushion Co., as borrowers, Dream II Holdings, LLC, as parent, the lenders party thereto, and the ABL Agent, as modified and amended on August 31, 2017, October 19, 2018, and November 27, 2018, and as may be further amended, modified, restated, or supplemented from time to time.

"ABL Lenders" means the banks, financial institutions, and other lenders party to the ABL Credit Agreement from time to time, each letter of credit issuer thereunder, and each bank product provider thereunder, each solely in their capacity as such.

"ABL Priority Collateral" has the meaning given to such term as defined in the Intercreditor Agreement.

"Agreement" has the meaning set forth in the preamble hereof and includes all of the exhibits attached hereto.

"Agreement Effective Date" means the date upon which this Agreement shall become effective and binding upon each of the Parties pursuant to the terms of Section 2 hereof.

"Alternative Transaction" means any dissolution, winding up, liquidation, reorganization, recapitalization, assignment for the benefit of creditors, merger, transaction, consolidation, business combination, joint venture, partnership, sale of assets (other than in ordinary course

sales or sales of *de minimis* assets), financing (debt or equity), plan proposal, or restructuring of the Company outside of the Plan (including any chapter 11 plan that is not the Plan, but not including (a) any amendments, modifications, or supplements to the Plan in accordance with its terms related to effectuating a Sale Transaction or liquidation of the Company's assets, each as contemplated by, and pursuant to, the Plan or (b) the conversion of any of the Chapter 11 Cases to, or the occurrence of, a Liquidation Case as set forth more fully herein, each as applicable).

"Avoidance Actions" mean any and all avoidance, recovery, or subordination actions or remedies that may be brought by or on behalf of the Debtors or their estates under the Bankruptcy Code, CCAA, or BIA or applicable non-bankruptcy law, including actions or remedies under sections 544, 547, 548, 549, 550, 551, 552, or 553 of the Bankruptcy Code.

"Bankruptcy Code" has the meaning set forth in the recitals hereof.

"Bankruptcy Court" has the meaning set forth in the recitals hereof.

"BIA" means the Bankruptcy and Insolvency Act, R.S.C., 1985, c. B-3, as amended.

"Canadian Court" means the Ontario Superior Court of Justice (Commercial List).

"CCAA" means Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended.

"Chapter 11 Cases" has the meaning set forth in the recitals hereof.

"Commercial Tort Claims" means any commercial tort claims or causes of action owned by the Company arising on or before the Petition Date that remained outstanding as of the Petition Date.

"Commercial Tort Proceeds" means the cash proceeds, if any, of any Commercial Tort Claims.

"Committee" has the meaning set forth in the preamble hereof.

"Committee Advisors" means, collectively, the Committee Counsel, Alvarez & Marsal North America, LLC, Gowling WLG, and any tax advisory firm whose retention by the Committee is approved by a Retention Order.

"Committee Counsel" means Pachulski Stang Ziehl & Jones LLP.

"Committee Monthly Fee Cap" means the sum of $300,000 per month beginning on August 1, 2019, which amount represents the maximum aggregate amount of (a) professional fees and expenses that may be incurred by professionals retained by the Committee in the Chapter 11 Cases (including the Committee Advisors) for which reimbursement is sought and (b) expenses incurred by the members of the Committee for which reimbursement is sought, each pursuant to and in accordance with section 1103 of the Bankruptcy Code; *provided* that any unused amounts from a prior month may be used for fees and expenses incurred in one or more subsequent months on a rolling basis.

"Committee Releasing Parties" has the meaning set forth in Section 18(c) hereof.

"Company" has the meaning set forth in the preamble hereof.

"Company Releasing Parties" has the meaning set forth in Section 18(c) hereof.

"Company Advisors" means, collectively, Kirkland & Ellis LLP, Houlihan Lokey Capital, Inc., and Carl Marks Advisors.

"Confirmation Order" means the order entered by the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.

"Consenting Term Loan Lenders" has the meaning set forth in the preamble hereof.

"Consenting Term Loan Released Parties" has the meaning set forth in Section 18(b) hereof.

"Consenting Term Loan Releasing Parties" has the meaning set forth in Section 18(a) hereof.

"Debtors" means, collectively, (a) Dream II Holdings, LLC, (b) Hollander Home Fashions Holdings, LLC, (c) Hollander Sleep Products, LLC, (d) Hollander Sleep Products Kentucky, LLC, (e) Pacific Coast Feather, LLC, (f) Pacific Coast Feather Cushion, LLC, and (g) Hollander Sleep Products Canada Limited.

"Definitive Documentation" means the definitive documents and agreements governing the Restructuring Transactions, including the documents listed in Section 4 hereof and any and all other documentation necessary to effectuate the Restructuring Transactions or that is contemplated by the Plan. "Definitive Document" shall have a correlative meaning.

"DIP ABL Agent" means the administrative agent under the DIP ABL Credit Agreement, solely in its capacity as such.

"DIP ABL Credit Agreement" means that certain debtor-in-possession credit agreement by and among the Company, the administrative agent thereunder, and the DIP ABL Lenders, as may be amended, modified, restated, or supplemented from time to time.

"DIP ABL Credit Facility" means the senior secured revolving credit facility provided for under the DIP ABL Credit Agreement.

"DIP ABL Lenders" means the banks, financial institutions, and other lenders party to the DIP ABL Credit Agreement from time to time.

"DIP Last Out Loan Claims" means any and all claims derived from or based upon the DIP Last Out Loans.

"DIP Last Out Loans" has the meaning set forth in the recitals hereof.

"DIP Orders" means, collectively, the interim and final orders authorizing the use of cash collateral and approving the DIP Term Loan Credit Facility and the DIP ABL Credit Facility, each on terms materially consistent with the DIP Term Loan Commitment Letter.

"DIP Term Loan Agent" means Barings Finance LLC, in its capacity as administrative agent under the DIP Term Loan Credit Agreement, solely in its capacity as such, and any successor agent thereto.

"DIP Term Loan Claims" means any and all claims derived from or based upon the DIP Term Loan Credit Facility.

"DIP Term Loan Commitment Letter" has the meaning set forth in the recitals hereof.

"DIP Term Loan Credit Agreement" means that certain debtor-in-possession credit agreement by and among the Debtors, the DIP Term Loan Agent, and the DIP Term Loan Lenders, as may be amended, modified, restated, or supplemented from time to time, the form of which is attached as **Exhibit A** to the DIP Term Loan Commitment Letter.

"DIP Term Loan Credit Facility" has the meaning set forth in the recitals hereof.

"DIP Term Loan Lenders" has the meaning set forth in the recitals hereof.

"Disclosure Statement" means the disclosure statement (and all exhibits thereto) with respect to the Plan.

"Exit ABL Agent" means the administrative agent under the Exit ABL Credit Agreement, solely in its capacity as such.

"Exit ABL Credit Agreement" means that certain credit agreement by and among the Reorganized Debtors, the Exit ABL Agent, and the Exit ABL Lenders.

"Exit ABL Documents" means the Exit ABL Credit Agreement and all other agreements, documents, and instruments related thereto, including any guaranty agreements, pledge and collateral agreements, intercreditor agreements, and other security agreements.

"Exit ABL Facility" means the asset-based revolving credit facility provided for under the Exit ABL Credit Agreement.

"Exit ABL Lenders" means the banks, financial institutions, and other lenders party to the Exit ABL Credit Agreement from time to time, solely in their capacity as such.

"Exit Facility Documents" means, collectively, the Exit ABL Documents and the Exit Term Loan Documents.

"Exit Term Loan Agent" means the administrative agent under the Exit Term Loan Credit Agreement, solely in its capacity as such.

"Exit Term Loan Commitment Letter" has the meaning set forth in the recitals hereof.

"Exit Term Loan Credit Agreement" means that certain credit agreement by and among the Reorganized Debtors, the Exit Term Loan Agent, and the Exit Term Loan Lenders.

"Exit Term Loan Credit Facility" has the meaning set forth in the recitals hereof.

"Exit Term Loan Documents" means the Exit Term Loan Credit Agreement and all other agreements, documents, and instruments related thereto, including any guaranty agreements, pledge and collateral agreements, intercreditor agreements, and other security agreements.

"Exit Term Loan Lenders" has the meaning set forth in the recitals hereof.

"General Unsecured Claims" has the meaning set forth in the Plan.

"GUC Liquidation Recovery Pool" means the sum of $250,000, payable from the first available proceeds of the Term Loan Priority Collateral for the benefit of holders of General Unsecured Claims in the event that each of the Chapter 11 Cases are converted to, or the occurrence of, a Liquidation Case.

"GUC Reorganization Recovery Pool" means a sum payable by the Company for the benefit of holders of General Unsecured Claims if the Term Loan Lenders are the Winning Bidder (as defined in the Plan) equal to: (a) cash in the amount of $500,000 *plus* (b) if the Reorganized Debtors are sold within 24 months of the effective date of the Plan and the Term Loan Lenders receive more than a 30 percent recovery on account of their Term Loan Claims (based on the full amount of each such holder's Term Loan Claim) (which shall be calculated after the repayment in full of the Exit ABL Facility and the Exit Term Loan Credit Facility (including, for the avoidance of doubt, the conversion of the DIP Term Loan Credit Facility into the Exit Term Loan Credit Facility), any claims (or interests) related to the foregoing and any replacement or additional money raised to fund the Reorganized Debtors, the sources and uses of such sale transaction, and any other obligations repaid as part of such transaction), 5 percent of each dollar in excess thereof *less* (c) any fees, expenses, and disbursements of the Plan Administrator in excess of the Plan Administrator Budget (as such terms are defined in the Plan), including any fees, expenses, and disbursements associated with the prosecution of Commercial Tort Claims, if any.

"GUC Sale Transaction Recovery Pool" means, in a Sale Transaction, a sum payable by the Company from the first available proceeds of the Term Loan Priority Collateral for the benefit of holders of General Unsecured Claims equal to: (a) cash in the amount of $600,000, *plus* (b) if the Term Loan Lenders receive more than a 30 percent recovery on account of their Term Loan Claims (based on the full amount of each such holder's Term Loan Claim), 5 percent of each dollar in excess thereof, *plus* (c) if the Term Loan Lenders receive more than a 50 percent recovery on account of their Term Loan Claims (based on the full amount of each such holder's Term Loan Claim), 7.5 percent of each dollar in excess thereof *less* (d) any fees, expenses, and disbursements of the Plan Administrator in excess of the Plan Administrator Budget (as such terms are defined in the Plan), including any fees, expenses, disbursements associated with the prosecution of Commercial Tort Claims, if any.

"Hollander Canada" means Hollander Sleep Products Canada Limited.

"Information Officer" means the information officer appointed by the Canadian Court in the proceedings commenced by the Debtors under Part IV of the CCAA to recognize the Chapter 11 Cases as "foreign main proceedings" in Canada.

"Intercreditor Agreement" means that certain Amended and Restated Intercreditor Agreement by and among the ABL Agent and the Term Loan Agent, as may be amended, modified, restated, or supplemented from time to time.

"Last Out Loans" has the meaning set forth in the recitals hereof.

"Last Out Loans Turnover Amount" means an amount up to $650,000 in the aggregate to be paid for the benefit of holders of General Unsecured Claims, which shall be paid from (i) the first $200,000 of any proceeds distributed to holders of DIP Last Out Loan Claims on account of such claims (including, after being rolled into any Exit ABL Facility, on account of any repayment as part of such Exit ABL Facility), plus (ii) 50 percent of each dollar received in excess of the first $200,000 of any such proceeds distributed to the holders of DIP Last Out Loan Claims up to a total maximum amount of $650,000 (inclusive of the first $200,000 of proceeds paid).

"Liquidation Case" means a case under chapter 7 of the Bankruptcy Code or liquidation of the Company's assets (other than as a going concern Sale Transaction) under chapter 11 of the Bankruptcy Code (including through a chapter 11 plan of liquidation), *provided* that, solely with respect to Hollander Canada, a "Liquidation Case" may also mean a proceeding under the BIA, and any such proceeding in respect of Hollander Canada, whether under chapter 7 or chapter 11 of the Bankruptcy Code or the BIA, shall require the prior consent of the Information Officer.

"Milestones" means the milestones set forth in the DIP Term Loan Credit Agreement and the DIP Orders, as applicable.

"Original RSA" has the meaning set forth in the recitals hereof.

"Participation Agreements" means the Existing Participation Agreement (as defined in the DIP ABL Credit Agreement) and the Participation Agreement (as defined in the DIP ABL Credit Agreement).

"Party" and "Parties" have the meanings set forth in the preamble hereof.

"Petition Date" means the date the Company commences the Chapter 11 Cases.

"Plan" has the meaning set forth in the recitals hereof.

"Plan Supplement" means the compilation of documents and forms of documents, schedules, and exhibits to the Plan that will be filed by the Company with the Bankruptcy Court, and which shall include the Exit Facility Documents and any other necessary documentation related to the Restructuring Transactions.

"Plan Support Period" means the period commencing on the date hereof and ending on the Termination Date.

"Put Agreement" means that certain put agreement, dated as of November 27, 2018, by and between the Put Purchasers, as purchasers, the ABL Agent, and SunTrust Bank.

"Put Purchasers" means Sentinel Capital Partners V, L.P., Sentinel Dream Blocker, Inc., and Sentinel Capital Investors V, L.P.

"Release" means the release of claims set forth in Section 18 hereof.

"Release Revocation Event" has the meaning set forth in Section 19(b) hereof.

"Release Revocation Notice" has the meaning set forth in Section 19(a) hereof.

"Releasing Parties" has the meaning set forth in Section 18(c) hereof.

"Reorganized Debtors" means the Debtors, as reorganized pursuant to and under the Plan, or any successor or assign thereto, by merger, amalgamation, consolidation, or otherwise, on or after the effective date of the Plan, including reorganized Dream II Holdings, LLC.

"Required Consenting Term Loan Lenders" means the Consenting Term Loan Lenders who hold, in the aggregate, at least 66.67 percent in principal amount outstanding of all Term Loan Claims held by Consenting Term Loan Lenders.

"Required DIP Term Loan Lenders" means the DIP Term Loan Lenders who hold, in the aggregate, more than 50.0 percent in principal amount outstanding of all DIP Term Loan Claims held by DIP Term Loan Lenders.

"Restructuring Support Parties" means, collectively, the Consenting Term Loan Lenders, the Committee, and the Sponsor.

"Restructuring Transactions" has the meaning set forth in the recitals hereof.

"Retention Order" means an order of the Bankruptcy Court, consistent with (i) the engagement letter between the Company and the respective Company Advisor, authorizing the Company to retain and employ the respective Company Advisor, or (ii) the terms of the retention applications filed by the Committee to retain and employ the respective Committee Advisor, authorizing the Committee to retain and employ the respective Committee Advisor.

"Revocation Cure Period" has the meaning set forth in Section 19(a) hereof.

"Sale Transaction" has the meaning set forth in the Plan.

"Settlement" has the meaning set forth in the recitals hereof.

"Solicitation Materials" means the ballots and other related materials drafted in connection with the solicitation of acceptances of the Plan.

"Solicitation Order" means the order of the Bankruptcy Court approving the Disclosure Statement and the Solicitation Materials.

"Sponsor" has the meaning set forth in the preamble hereof.

"Sponsor Counsel" means Kramer Levin Naftalis & Frankel LLP.

"Sponsor Prepetition Equity Interests" has the meaning set forth in the recitals.

"Sponsor Released Parties" has the meaning set forth in Section 18(a) hereof.

"Sponsor Releasing Parties" has the meaning set forth in Section 18(b) hereof.

"Sponsor Termination Event" has the meaning set forth in Section 12 hereof.

"Term Loan Agent" means Barings Finance LLC, in its capacity as administrative agent under the Term Loan Credit Agreement, solely in its capacity as such, and any successor agent thereto.

"Term Loan Agent Counsel" means King & Spalding LLP.

"Term Loan Claims" means any and all claims derived from or based upon the term loan facility provided for under the Term Loan Credit Agreement.

"Term Loan Credit Agreement" means that certain term loan credit agreement dated as of June 9, 2017, by and among the Company, as borrower, Dream II Holdings, LLC and Hollander Home Fashions Holdings, LLC, as guarantors, the Term Loan Lenders, and the Term Loan Agent, as amended, modified, restated, or supplemented from time to time prior to the Petition Date.

"Term Loan Lenders" means the banks, financial institutions, and other lenders party to the Term Loan Credit Agreement from time to time, each solely in their capacity as such.

"Term Loan Priority Collateral" has the meaning given to such term as defined in the Intercreditor Agreement.

"Termination Date" means the date on which termination of this Agreement in accordance with the terms herein is effective.

"Transfer" means to sell, transfer, assign, pledge, grant a participation interest in, or otherwise dispose of, directly or indirectly, in whole or in part, a Party's right, title, or interest in respect of any of such Party's claims (including Term Loan Claims) against, or interests in, the Company, or the deposit of any of such Party's claims against or interests in the Company, as applicable, into a voting trust, or the grant of any proxies, or entry into a voting agreement with respect to any such claims or interests.

"Transferee Joinder" means a transferee joinder substantially in the form attached hereto as **Exhibit E**.

"Transferor" means the Restructuring Support Party making a Transfer.

Capitalized terms used but not defined herein shall have the meanings given to such terms in the DIP Term Loan Commitment Letter or the Plan, as applicable. Unless otherwise specified, references in this Agreement to any Section or clause refer to such Section or clause as contained in this Agreement. The words "herein," "hereof," and "hereunder" and other words of similar import in this Agreement refer to this Agreement as a whole, and not to any particular Section or clause contained in this Agreement. Wherever from the context it appears appropriate, each term stated in either the singular or plural shall include the singular and the plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and neuter genders. The words "including," "includes," and "include" shall each be deemed to be followed by the words "without limitation". Wherever the consent or the written consent of a Party is required, the other Parties may rely on email correspondence from counsel to such Party.

2. **Agreement Effective Date**. The Agreement Effective Date of this amended and restated Agreement shall occur immediately upon (a) delivery to the Parties of executed and released signature pages for this Agreement from (i) the Company, (ii) the Required Consenting Term Loan Lenders, (iii) the Sponsor, and (iv) the Committee, and (b) approval of the Bankruptcy Court of the Company's assumption of this Agreement and the Company's and Committee's releases set forth herein. Upon the Agreement Effective Date, this Agreement shall be deemed effective and thereafter the terms and conditions herein may only be amended, modified, waived, or otherwise supplemented as set forth in Section 33 hereof.

3. **Incorporation by Reference**. The DIP Term Loan Commitment Letter, the Exit Term Loan Commitment Letter, and the Plan, along with each of the exhibits attached hereto and any schedules to such exhibits, are expressly incorporated herein and made a part of this Agreement, and all references to this Agreement shall include the DIP Term Loan Commitment Letter, the Exit Term Loan Commitment Letter, and the Plan and all other such exhibits and schedules to such exhibits. In the event of any inconsistency between this Agreement (excluding the DIP Term Loan Commitment Letter, the Exit Term Loan Commitment Letter, and the Plan) and the DIP Term Loan Commitment Letter, the Exit Term Loan Commitment Letter, or the Plan, the DIP Term Loan Commitment Letter, the Exit Term Loan Commitment Letter, or the Plan shall govern, as applicable.

4. **Definitive Documentation**.

(a) The Definitive Documentation shall include:

(i) the Plan;

(ii) the Plan Supplement and the documents contained therein;

(iii) the Confirmation Order;

(iv) the Disclosure Statement, the motion seeking approval of the Disclosure Statement, the Solicitation Materials (including a letter from the Committee in support of the Plan), and the Solicitation Order;

(v) the DIP Orders, the DIP Term Loan Credit Agreement, and the DIP ABL Credit Agreement;

(vi) the Exit Facility Documents; and

(vii) organizational documents of the reorganized Company, including any stockholders' agreement, operating agreement, limited liability company agreement, or other similar agreement setting forth the rights and obligations of the holders of the equity of the reorganized Company following the effective date of the Plan.

(b) Except as set forth herein, the Definitive Documentation (and any modifications, restatements, supplements, or amendments to any of them) will, after the Agreement Effective Date, remain subject to negotiation and shall, upon completion, contain terms, conditions, representations, warranties, and covenants consistent in all material respects with the terms of this Agreement and otherwise be in form and substance reasonably satisfactory in all material respects to each of the Company, the Required Consenting Term Loan Lenders, and the Sponsor, with reasonableness determined based on the economic and non-economic interest such Party has with respect to such Definitive Document, *except* that the DIP Orders and the DIP Term Loan Credit Agreement must be acceptable to the Required DIP Term Loan Lenders, the Exit Facility Documents must be acceptable to a majority of the Exit Term Loan Lenders by commitment amount, and the Plan, the Confirmation Order, and the Exit ABL Documents must be in form and substance reasonably acceptable to the Committee with respect to the provisions thereof that impact the interests of holders of General Unsecured Claims.

5. **Milestones**. The Company shall implement the Restructuring Transactions in accordance with the Milestones. The Company may extend a Milestone only with the express prior written consent of the Required Consenting Term Loan Lenders.

6. **Commitment of the Restructuring Support Parties**. Each Restructuring Support Party shall (severally and not jointly) during the Plan Support Period:

(a) support the Restructuring Transactions in accordance with the terms and conditions of this Agreement and take all actions reasonably necessary to support consummation of the Restructuring Transactions, by: (i) when properly solicited to do so, voting all of its claims (including all of its Term Loan Claims) against, or interests in, as applicable, the Company now or hereafter owned by such Restructuring Support Party (or for which such Restructuring Support Party now or hereafter serves as the nominee, investment manager, or advisor for holders thereof) to accept the Plan (provided that this requirement is not applicable to the Committee); (ii) timely returning a duly-executed ballot in connection therewith (provided that this requirement is not applicable to the Committee);

(iii) supporting and not "opting out" of any releases under the Plan and affirmatively opting into such releases if required to do so (provided that this requirement is not applicable to the Committee); (iv) if applicable, negotiating in good faith the Exit Term Loan Documents in accordance with the Exit Term Loan Commitment Letter; (v) if applicable, negotiating in good faith the Exit ABL Documents by no later than 90 days following the Petition Date; and (vi) if applicable and to the extent there is a Sale Transaction, supporting, and not objecting to, or materially delaying or impeding, or taking any other action that would be reasonably expected to materially interfere, directly or indirectly, with such Sale Transaction, and at all times supporting the payment of all allowed administrative and priority claims pursuant to such Sale Transaction;

(b) not seek, support, or solicit an Alternative Transaction;

(c) not withdraw, amend, or revoke (or cause to be withdrawn, amended, or revoked) its tender, consent, and/or vote, as and if applicable, with respect to the Plan;

(d) support, and not object to, or materially delay or impede, or take any other action that would be reasonably expected to materially interfere, directly or indirectly, with the Restructuring Transactions;

(e) support, and not object to, or materially delay or impede, or take any other action that would be reasonably expected to materially interfere, directly or indirectly, with the entry by the Bankruptcy Court of any of the DIP Orders, and shall (a) not propose, support, or file a pleading with the Bankruptcy Court seeking entry of an order authorizing, directly or indirectly, any use of cash collateral or debtor-in-possession financing other than as proposed in each of the DIP Orders or (b) not direct the Term Loan Agent to propose, file, support, or file a pleading with the Bankruptcy Court seeking entry of an order authorizing, directly or indirectly, any use of cash collateral or debtor-in-possession financing other than as proposed in each of the DIP Orders and, to the extent the Term Loan Agent proposes, files, supports or files such a pleading, shall direct the Term Loan Agent to withdraw such proposal, support, or pleading;

(f) not file or support, and not direct the Term Loan Agent to file or support, any motion or pleading with the Bankruptcy Court that is not materially consistent with this Agreement;

(g) to the extent any legal or structural impediment arises that would prevent, hinder, or delay the consummation of the Restructuring Transactions, negotiate in good faith appropriate additional or alternative provisions to address any such impediment;

(h) not object to, or otherwise contest, any application filed with the Bankruptcy Court seeking: (i) entry of the Retention Orders, authorizing, as applicable, the Company or the Committee to retain and employ such Company Advisors or Committee Advisors who have entered into engagement letters with the Company or entered into agreements with the Committee that are in effect as of the Agreement Effective Date; or (ii) allowance of any monthly, interim, or final fee application or completion, transaction, or success fee (or similar fee) set forth in the respective Company Advisor's or Committee Advisor's engagement letter with the Company or the Committee, as applicable, so long as such application is consistent with the terms of the applicable Company Advisor's Retention Order or the Committee Monthly Fee Cap beginning August 1, 2019, as applicable; and

(i) in the event the Plan cannot be confirmed and the Debtors determine in good faith (after consultation with the Parties) to proceed with a conversion of each of the Chapter 11 Cases to, or occurrence of, a Liquidation Case or dismissal, each Party agrees to abide by its obligations set forth in this Agreement, subject to the terms herein (including, for the avoidance of doubt, the releases set forth in Section 18 hereof and any payment obligations or consent obligations of the Consenting Term Loan Lenders or the Sponsor set forth in Section 7(d) and Section 8(b) hereof, respectively).

Notwithstanding the foregoing, nothing in this Agreement and neither a vote to accept the Plan by any Restructuring Support Party nor the acceptance of the Plan by any Restructuring Support Party shall (x) be construed to prohibit any Restructuring Support Party from contesting whether any matter, fact, or thing is a breach of, or is inconsistent with, this Agreement or the Definitive Documentation, or exercising rights or remedies specifically reserved herein; (y) be construed to prohibit or limit any Restructuring Support Party from appearing as a party-in-interest in any matter to be adjudicated in the Chapter 11 Cases, so long as, during the Plan Support Period, such appearance and the positions advocated in connection therewith are not materially inconsistent with this Agreement, are not prohibited by this Agreement and are not for the purpose of hindering, delaying, or preventing the consummation of the Restructuring Transactions; or (z) limit the ability of a Restructuring Support Party to sell or enter into any transactions in connection with its claims (including all of its Term Loan Claims) against, or interests in, as applicable, the Company now or hereafter owned by such Restructuring Support Party, subject to Section 21 of this Agreement. For the avoidance of doubt, each Party agrees to support modification of the Plan (in accordance with its terms and this Agreement) as necessary to implement the Settlement, including to permit the liquidation of the Company's assets; *provided*, *however*, that nothing herein shall obligate any Party to provide additional funding in any form to confirm such liquidating Plan or otherwise finance such liquidating Plan.

7. **Term Loan Lender Commitments**. In addition to the obligations set forth in Section 6 hereof, the Term Loan Agent and each Consenting Term Loan Lender shall, during the Plan Support Period:

(a) as applicable, (i) subject to the occurrence of the effective date of the Plan, waive any deficiency claims on account of the Term Loan Claims pursuant to the Plan, and (ii) not assert any deficiency claims against the GUC Liquidation Recovery Pool;

(b) consent to the Company's funding of the GUC Reorganization Recovery Pool through the Plan in the event there is no Sale Transaction in accordance with the terms of the Plan;

(c) consent to the Company's funding of the GUC Sale Transaction Recovery Pool through the Plan in the event there is a Sale Transaction in accordance with the terms of the Plan (or other sale of all or substantially all assets under section 363 of the Bankruptcy Code); and

(d) consent to the funding of the GUC Liquidation Recovery Pool from the first available proceeds of Term Loan Priority Collateral, solely to the extent that each Chapter 11 Case converts to, or the occurrence of, a Liquidation Case, and in the case of a conversion to chapter 7 or, solely with respect to Hollander Canada, a proceeding under the BIA, the applicable *pro rata* share of the GUC Liquidation Recovery Pool will be distributed to the chapter 7 trustee or, to the extent applicable, the trustee under the BIA to be held, in trust, solely for the benefit of and distribution to the holders of General Unsecured Claims. The obligation to fund the GUC Liquidation Recovery Pool shall survive the termination of this Agreement by the Consenting Term Loan Lenders, unless this Agreement is terminated by the Consenting Term Loan Lenders due to a material breach of this Agreement by the Committee (subject to the conditions set forth in Section 19(c)(iii) hereof).

8. **Sponsor Commitments**. In addition to the obligations set forth in Section 6 hereof, the Sponsor shall, during the Plan Support Period:

(a) not challenge, or support any party that challenges, the validity, enforceability, or priority of the Term Loan Credit Agreement or any portion of the Term Loan Claims; and

(b) cause the Put Purchasers to (and, if applicable, direct the ABL Agent to) (i) convert all revolving commitments under the Last Out Loans into commitments under the DIP ABL Credit Facility consistent with the terms of the DIP Term Loan Commitment Letter, (ii) upon the effective date of the Plan, convert all revolving commitments under the DIP ABL Credit Facility into commitments under the Exit ABL Facility on a last out basis (on terms reasonably acceptable to each holder of an allowed DIP Last Out Loan Claim) and with the same priority with respect to the ABL Priority Collateral and the Term Loan Priority Collateral as existed under the Intercreditor Agreement (or to the extent there is a Sale Transaction, support, and not object to, or materially delay or impede, or take any other

action that would be reasonably expected to materially interfere, directly or indirectly, with such Sale Transaction), (iii) support a Plan that provides that the Sponsor receives no distribution of any kind on account of the Sponsor Prepetition Equity Interests unless a Sale Transaction provides sufficient cash to repay all Claims (as defined in the Plan) in accordance with the Plan, and (iv) distribute the Last Out Loans Turnover Amount for the benefit of holders of General Unsecured Claims on the terms set forth in the Plan or, if applicable, funded from the cash proceeds, if any, received by the Put Purchasers on account of the DIP Last Out Loan Claims upon a conversion of each of the Chapter 11 Cases to, or the occurrence of, a Liquidation Case and in the case of a conversion to chapter 7 or, solely with respect to Hollander Canada, a proceeding under the BIA, the applicable *pro rata* share of the Last Out Loans Turnover Amount will be distributed to the chapter 7 trustee or, to the extent applicable, the trustee under the BIA to be held, in trust, solely for the benefit of and distribution to the holders of General Unsecured Claims. The obligation to distribute the Last Out Loans Turnover Amount upon a conversion of each of the Chapter 11 Cases to, or the occurrence of, a Liquidation Case shall survive the termination of this Agreement by the Sponsor, unless this Agreement is terminated by the Sponsor due to a material breach of this Agreement by the Committee (subject to the conditions set forth in Section 19(c)(iii) hereof).

9. **Committee Commitments**. In addition to the obligations set forth in Section 6 hereof, the Committee shall, during the Plan Support Period:

(a) support, and not directly or indirectly oppose, the Plan, including by encouraging holders of General Unsecured Claims to vote to approve the Plan and take any and all necessary or appropriate actions in furtherance of the transactions contemplated under the Plan;

(b) not challenge, or support any party that challenges, the validity, enforceability, or priority of the Term Loan Credit Agreement, any portion of the Term Loan Claims, the ABL Credit Agreement, any portion of the ABL Claims (as defined in the Plan), the DIP ABL Credit Agreement, any portion of the DIP ABL Claims (as defined in the Plan), DIP Term Loan Credit Agreement, any portion of the DIP Term Loan Claims (as defined in the Plan), the Put Agreement and the Participation Agreements or the transactions contemplated thereby and/or any portion of the Last Out Loans or DIP Last Out Loans, the DIP Orders, and any liens related to or granted by any of the foregoing, which obligation shall survive the termination of this Agreement by the Consenting Term Loan Lenders or the Sponsor;

(c) subject to its fiduciary duties, support, and not directly or indirectly oppose, any Sale Transaction supported by the Debtors and consummated

in accordance with the Plan and the Bidding Procedures (as defined in the Plan);

(d) grant the releases by the Committee set forth in this Agreement and support, and not object to, the release and exculpation provisions of the Plan, including direct releases by the Committee of any claims that may be asserted by the Committee derivatively on behalf of its members or the Debtors against the Term Loan Lenders, the Term Loan Agent, the Consenting Term Loan Released Parties, the ABL Lenders, the ABL Agent, the DIP Term Loan Lenders, the DIP Term Loan Agent, the DIP ABL Agent, the DIP ABL Lenders, the Sponsor Released Parties, the Put Purchasers, the Debtors' current and former directors and officers, and the Company Advisors based on or relating to, or in any manner arising from, in whole or in part, the Debtors and Debtor transactions set forth in Article VIII.D of the Plan;

(e) support, and not object to, or materially delay or impede, or take any other action that would be reasonably expected to materially interfere, directly or indirectly, with the entry by the Bankruptcy Court of the DIP Orders;

(f) waive any enforcement rights that may be asserted by the Committee under section 506(c) of the Bankruptcy Code, and waive any ability to require the Debtors or any successor trustee to bring such enforcement rights;

(g) support, and not directly or indirectly oppose, the Debtors' ordinary course cash management operations, including the flow of funds between the Debtors' Canadian and U.S. entities;

(h) not seek any reimbursement of professional fees or expenses in excess of the Committee Monthly Fee Cap, *provided* that the Committee shall be entitled to seek reimbursement for all reasonable professional fees and expenses incurred by the Committee in the Chapter 11 Cases up to and including July 31, 2019;

(i) subject to its fiduciary duties, not oppose any motions or other pleadings filed by the Debtors in the Chapter 11 Cases, so long as such motion or pleading does not materially and negatively affect the rights of holders of General Unsecured Claims, including any motion seeking approval of the DIP Term Loan Credit Facility, the Exit Term Loan Credit Facility, the Exit ABL Facility, and any documents or commitments related thereto; and

(j) not seek or support any party in seeking to convert any of the Chapter 11 Cases to Liquidation Cases (other than as provided for in Section 6(i) hereof).

10. **Commitment of the Company**. Subject to Section 20 hereof, the Company shall, during the Plan Support Period:

(a) timely (i) file the motion seeking entry, and seek entry by the Bankruptcy Court of each, of the DIP Orders, (ii) file the Disclosure Statement and the motion seeking entry of the Solicitation Order and seek entry by the Bankruptcy Court of the Solicitation Order, and (iii) file the Plan and seek entry by the Bankruptcy Court of the Confirmation Order;

(b) (i) support and use commercially reasonable efforts to execute and complete the Restructuring Transactions set forth in the Plan and this Agreement, (ii) negotiate in good faith all Definitive Documentation that is subject to negotiation as of the Agreement Effective Date and take any and all necessary and appropriate actions in furtherance of the Plan and this Agreement, and (iii) consult in good faith with the Consenting Term Loan Lenders, the Committee, and the Sponsor on each of the foregoing provisos;

(c) if applicable, take all reasonable actions necessary to consummate a sale of assets as contemplated by the Plan;

(d) provide the Consenting Term Loan Lenders and their advisors with, and direct their employees, officers, advisors, and other representatives to provide the Consenting Term Loan Lenders and their advisors with, (i) reasonable access to the Company's books and records, (ii) reasonable access to the management and advisors of the Company (including Carl Marks and Houlihan Lokey Capital, Inc.) for the purposes of evaluating the Company's assets, liabilities, operations, businesses, finances, strategies, prospects, and affairs, and (iii) reasonable responses to all reasonable diligence requests within a reasonable timeline based on the applicable circumstances to such diligence requests;

(e) timely file (and diligently prosecute) a formal objection to any motion filed with the Bankruptcy Court by a party-in-interest seeking the entry of an order (i) directing the appointment of a trustee or examiner (with expanded powers beyond those set forth in section 1106(a)(3) and (4) of the Bankruptcy Code), (ii) converting any of the Chapter 11 Cases to a Liquidation Case (other than as provided for in Section 6(i) hereof), or (iii) dismissing any of the Chapter 11 Cases (other than as provided for in Section 6(i) hereof);

(f) timely file (and diligently prosecute) a formal objection to any motion filed with the Bankruptcy Court by a party-in-interest seeking the entry of an order modifying or terminating the Company's exclusive right to file and/or solicit acceptances of a chapter 11 plan, as applicable;

(g) timely file (and diligently prosecute) a formal objection to any motion, application, or adversary proceeding challenging the validity, enforceability, perfection, or priority of, or seeking avoidance or subordination of, (i) the Prepetition Term Loan Credit Agreement and any portion of the Term Loan Claims or (ii) the Put Agreement and the Participation Agreements or the transactions contemplated thereby and/or any portion of the Last Out Loans or DIP Last Out Loans;

(h) not challenge, or support any party that challenges, the validity, enforceability, or priority of the (i) Prepetition Term Loan Credit Agreement or any portion of the Term Loan Claims or (ii) the Put Agreement and the Participation Agreements or the transactions contemplated thereby and/or any portion of the Last Out Loans or DIP Last Out Loans;

(i) maintain their good standing under the laws of the states and, in the case of Hollander Canada, province in which they are incorporated or organized;

(j) timely comply with all Milestones;

(k) seek a Confirmation Order that becomes effective and enforceable immediately upon its entry and seek to have the period in which an appeal thereto must be filed commence immediately upon its entry;

(l) use their commercially reasonable efforts to (i) preserve intact in all material respects their current business organizations, (ii) keep available the services of their current officers and material employees (in each case, other than voluntary resignations, terminations for cause, or terminations consistent with applicable fiduciary duties), and (iii) preserve in all material respects their relationships with customers, sales representatives, suppliers, distributors, and others, in each case, having material business dealings with the Company (other than terminations for cause or consistent with applicable fiduciary duties);

(m) to the extent that any legal or structural impediment arises that would prevent, hinder, or delay the consummation of the transactions contemplated in this Agreement or the Plan, negotiate in good faith appropriate additional or alternative provisions to address any such impediment, in consultation with the Sponsor and the Committee, and any such provisions to be reasonably acceptable to the Required Consenting Term Loan Lenders (and reasonably acceptable to the Sponsor with respect to the Last Out Loans, DIP Last Out Loans, and Last Out Loans Turnover);

(n) as soon as reasonably practicable, notify the Consenting Term Loan Lenders, the Committee, and the Sponsor of any governmental or third

party complaints, litigations, investigations, or hearings (or communications indicating that the same may be contemplated or threatened) that would prevent, hinder, or delay the consummation of the transactions contemplated in this Agreement or the Plan of which the Company Advisors have actual knowledge by furnishing written notice to the Consenting Term Loan Lenders, the Committee, and the Sponsor within two business days of actual knowledge of such event;

(o) as soon as reasonably practicable, notify the Consenting Term Loan Lenders, the Committee, and the Sponsor of any breach by the Company of which the Company Advisors have actual knowledge in respect of any of the obligations, representations, warranties, or covenants set forth in this Agreement by furnishing written notice to the Consenting Term Loan Lenders, the Committee, and the Sponsor promptly and, in any event, within two business days of actual knowledge of such breach;

(p) pay in cash (i) prior to the Petition Date, all reasonable fees and expenses accrued prior to the Petition Date by the Term Loan Agent Counsel, (ii) after the Petition Date, all reasonable fees and expenses of the Term Loan Agent Counsel incurred on and after the Petition Date from time to time in accordance with the DIP Orders, and (iii) on and after the effective date of the Plan, all reasonable fees and expenses incurred by the Term Loan Agent Counsel in connection with the Restructuring Transactions;

(q) comply with the terms and conditions of the DIP Orders in respect of the treatment of any claims the Sponsor has accrued for its reasonable and documented fees and expenses relating to the Last Out Loans or DIP Last Out Loans and the transactions contemplated thereby, including the Put Agreement and the Participation Agreements, whether arising before or after the Petition Date;

(r) provide draft copies of all material pleadings, including "first day" and other motions (excluding retention applications) that the Company intends to file with the Bankruptcy Court in any of the Chapter 11 Cases or with the Canadian Court in any recognition proceedings of the Company under the CCAA to the Term Loan Agent Counsel, Committee Counsel, and Sponsor Counsel at least two business days (or as soon as is reasonably practicable under the circumstances) prior to the date when the Company intends to file such document, and shall consult in good faith with such counsel regarding the form and substance of any such proposed filing (provided that any of the foregoing relating to the DIP Term Loan Credit Facility, the Plan, and the Exit Term Loan Documents shall be deemed material);

(s) not initiate, prosecute, transfer, or otherwise attempt to collect upon any Avoidance Actions;

(t) subject to the occurrence of the effective date of the Plan, cause all Commercial Tort Proceeds and any Commercial Tort Claims belonging to the Company to be assigned and transferred to the Plan Administrator (as defined in the Plan) for the benefit of the holders of General Unsecured Claims; and

(u) not seek, solicit, or support any Alternative Transaction; and

(v) waive, pursuant to the DIP Orders, any enforcement rights that may be asserted by the Company or any successor thereto under section 506(c) of the Bankruptcy Code.

11. **Consenting Term Loan Lenders Termination Events**. The Required Consenting Term Loan Lenders shall have the right, but not the obligation, upon notice to the other Parties provided in accordance with Section 31 hereof, to terminate this Agreement as to all Parties upon the occurrence of any of the following events, unless waived, in writing, by the Required Consenting Term Loan Lenders on a prospective or retroactive basis:

(a) the failure to meet any of the Milestones unless such Milestone is extended in accordance with Section 5 of this Agreement; *provided* that if such failure is the result of any act, omission, or delay on the part of a Consenting Term Loan Lender in violation of such Consenting Term Loan Lender's obligations under this Agreement, such Consenting Term Loan Lender may not be among the Required Consenting Term Loan Lenders exercising their termination right with respect thereto under this Section 11(a);

(b) the occurrence of a breach of this Agreement (including any representation, warranty, or covenant contained herein) in any respect that adversely affects the Consenting Term Loan Lenders' interests in connection with the Restructuring Transactions, the Plan, or this Agreement, by the Company, by the Committee, or by the Sponsor that has not been cured (if susceptible to cure) before five business days after written notice to the Company, the Committee, and the Sponsor in accordance with Section 31(a) hereof, which notice must include a description of such breach from the Required Consenting Term Loan Lenders;

(c) the conversion of one or more of the Chapter 11 Cases to, or the occurrence of, a Liquidation Case other than as provided for herein;

(d) the dismissal of one or more of the Chapter 11 Cases without the prior written consent of the Required Consenting Term Loan Lenders, which consent shall not be unreasonably withheld;

(e) the appointment of a trustee, receiver, or examiner with expanded powers beyond those set forth in section 1106(a)(3) and (4) of the Bankruptcy Code in one or more of the Chapter 11 Cases;

(f) notice of an "Event of Default" (as defined in the DIP Term Loan Credit Agreement or the DIP ABL Credit Agreement, as applicable) has been given or declared under either the DIP Term Loan Credit Facility or the DIP ABL Credit Facility and has not been waived or timely cured in accordance therewith;

(g) the Definitive Documentation is not in form and substance satisfactory to the Required Consenting Term Loan Lenders in accordance with Section 4(b) hereof; *provided* that the Required Consenting Term Loan Lenders must provide five business days' written notice to the Company and the Sponsor in accordance with Section 31(a) hereof of any such proposed termination and the Company shall have such time to amend or modify such Definitive Documentation such that the applicable Definitive Documentation shall be in form and substance reasonably satisfactory to the Required Consenting Term Loan Lenders;

(h) the Company (i) files or announces that it will proceed with an Alternative Transaction or (ii) withdraws or announces its intention not to support the Plan;

(i) the Company, the Committee, or the Sponsor supports any person or entity seeking to take, or that takes, any of the actions set forth in the foregoing subsections (c)−(h) of this Section 11;

(j) the issuance by any governmental authority, including the Bankruptcy Court, any regulatory authority, or any other court of competent jurisdiction, of any ruling or order enjoining the substantial consummation of any of the Restructuring Transactions or a final, non-appealable ruling or order preventing the consummation of a material portion of the Restructuring Transaction; *provided* that, only to the extent that such ruling or order may be reasonably remedied, the Company shall have five business days after the issuance of such ruling or order to obtain relief that would allow consummation of the applicable Restructuring Transactions in a manner that (i) does not reasonably prevent or diminish in a material way compliance with the terms of the Plan and this Agreement and (ii) is reasonably acceptable to the Required Consenting Term Loan Lenders;

(k) the Bankruptcy Court enters a final order disallowing, invalidating, subordinating, recharacterizing, or declaring unenforceable the claims, liens, or interests held by the Consenting Term Loan Lenders, including any Term Loan Claims;

(l) termination of the commitments or acceleration of the obligations under the DIP Term Loan Credit Facility or DIP ABL Credit Facility pursuant to their respective terms;

(m) the Company files a motion seeking entry of an order approving any key employee incentive plan, employee retention plan, or comparable plan, except as provided in the Plan, without the prior written consent of the Required Consenting Term Loan Lenders, which shall not be unreasonably withheld, conditioned, or delayed; or

(n) the Bankruptcy Court enters an order modifying or terminating the Company's exclusive right to file and/or solicit acceptances of a plan of reorganization (including the Plan) without the Term Loan Agent and Term Loan Lenders consent.

12. **Sponsor Termination Events**. The Sponsor shall have the right, but not the obligation, upon notice to the other Parties provided in accordance with Section 31 hereof, to terminate this Agreement as to all Parties upon the occurrence of any of the following events, unless waived, in writing, by the Sponsor on a prospective or retroactive basis:

(a) the occurrence of a breach of this Agreement (including any representation, warranty, or covenant contained herein) in any respect that adversely affects the Sponsor's interests in connection with the Restructuring Transactions, the Plan, or this Agreement by the Company (unless such action has been caused by or otherwise supported by the Sponsor), by the Committee, or by one or more Consenting Term Loan Lenders holding Term Loan Claims in an aggregate outstanding principal amount such that non-breaching Consenting Term Loan Lenders (a) hold less than 66.67 percent of the aggregate outstanding principal amount of Term Loan Claims or (b) constitute less than 50 percent in number of the Term Loan Lenders that has not been cured (if susceptible to cure) before five business days after written notice to the Company in accordance with Section 31(a) hereof of such material breach by the Company, the Committee, or Consenting Term Loan Lender or Lenders, as applicable, asserting such termination, which notice must include a description of such breach;

(b) the dismissal of one or more of the Chapter 11 Cases without the prior written consent of the Sponsor, which consent shall not be unreasonably withheld;

(c) the appointment of a trustee, receiver, or examiner with expanded powers beyond those set forth in section 1106(a)(3) and (4) of the Bankruptcy Code in one or more of the Chapter 11 Cases;

(d) notice of an "Event of Default" (as defined in the DIP Term Loan Credit Agreement or the DIP ABL Credit Agreement, as applicable) has been given or declared under either the DIP Term Loan Credit Facility or the DIP ABL Credit Facility and has not been waived or timely cured in accordance therewith;

(e) the Definitive Documentation is not in form and substance reasonably satisfactory to the Sponsor in accordance with Section 4(b) hereof; *provided* that the Sponsor must provide five business days' written notice to the Company in accordance with Section 31(a) hereof of any such proposed termination and the Company shall have such time to amend or modify such Definitive Documentation such that the applicable Definitive Documentation shall be in form and substance reasonably satisfactory to the Sponsor;

(f) unless such action has been caused by or otherwise supported by the Sponsor, (i) the Company files or announces that it will proceed with an Alternative Transaction, (ii) withdraws or announces its intention not to support the Plan, or (iii) the conversion of one or more of the Chapter 11 Cases to, or the occurrence of, a Liquidation Case other than as provided for herein;

(g) the issuance by any governmental authority, including the Bankruptcy Court, any regulatory authority, or any other court of competent jurisdiction, of any ruling or order enjoining the substantial consummation of any of the Restructuring Transactions; *provided* that the Company shall have five business days after the issuance of such ruling or order to obtain relief that would allow consummation of the applicable Restructuring Transactions in a manner that (i) does not prevent or diminish in a material way compliance with the terms of the Plan and this Agreement or (ii) is reasonably acceptable to the Sponsor; or

(h) (i) the amendment or modification of the DIP Intercreditor Agreement (as defined in the Plan) in any respect that adversely affects the Sponsor's interests in connection with the Restructuring Transactions, the Plan, or this Agreement without its consent (such consent not to be unreasonably withheld), or (ii) the DIP ABL Credit Agreement is amended or modified, or the DIP ABL Agent or DIP ABL Lenders take actions, in violation of the Participation Agreement (as defined in the DIP ABL Credit Agreement).

13. **Committee Termination Events**. The Committee shall have the right, but not the obligation, upon notice to the other Parties provided in accordance with Section 31 hereof, to terminate this Agreement as to all Parties upon the occurrence of any of the following events, unless waived, in writing, by the Committee on a prospective or retroactive basis:

(a) the occurrence of a breach of this Agreement (including any representation, warranty, or covenant contained herein) in any respect that adversely affects, in any material respect, the interests of holders of General Unsecured Claims in connection with the Restructuring Transactions, the Plan, or this Agreement, by the Company, by the Sponsor, or by Consenting Term Loan Lenders holding Term Loan Claims in an aggregate outstanding principal amount such that non-breaching Consenting Term Loan Lenders (a) hold less than 66.67 percent of the aggregate outstanding principal amount of Term Loan Claims, or (b) constitute less than 50 percent in number of the Term Loan Lenders, that has not been cured (to the extent curable) before five business days after notice to all Restructuring Support Parties given in accordance with Section 31 hereof of such material breach by the Company, the Sponsor, or Consenting Term Loan Lender or Lenders, as applicable, asserting such termination, which notice must include a description of such breach;

(b) the Plan and the Confirmation Order are not in form and substance reasonably satisfactory to the Committee with respect to the provisions thereof that impact the interests of holders of General Unsecured Claims in accordance with Section 4(b) hereof; *provided* that the Committee must provide five business days' written notice to the Company in accordance with Section 31(a) hereof of any such proposed termination and the Company shall have such time to amend or modify the Plan and Confirmation Order such that they shall be in form and substance reasonably satisfactory to the Committee;

(c) following the Committee determining, upon advice of outside counsel, that proceeding with the Restructuring Transactions contemplated by this Agreement would be inconsistent with the continued exercise of its fiduciary duties as set forth in Section 20 hereof; *provided* that notwithstanding any provision of this Agreement to the contrary, upon such determination, the Committee shall be entitled, but not required, to terminate this Agreement immediately upon written notice to each Restructuring Support Party delivered in accordance with Section 31 hereof; *provided*, *further*, that notwithstanding the foregoing, the Settlement, including the payment obligations and the releases as set forth herein, shall survive termination of this Agreement and remain binding on the Committee; or

(d) the issuance by any governmental authority, including the Bankruptcy Court, any regulatory authority, or any other court of competent jurisdiction, of any ruling or order enjoining the substantial consummation of any of the Restructuring Transactions; *provided* that the Company shall have five business days after the issuance of such ruling or order to obtain relief that would allow consummation of the applicable Restructuring Transactions in a manner that (i) does not prevent or diminish in a material

way compliance with the terms of the Plan and this Agreement or (ii) is reasonably acceptable to the Committee.

14. **The Company's Termination Events**. The Company may, upon notice to the Restructuring Support Parties, terminate this Agreement as to all Parties upon the occurrence of any of the following events, unless waived, in writing, by the Company on a prospective or retroactive basis:

(a) the occurrence of a breach of this Agreement in any respect that adversely affects, in any material respect, the Company's interests in connection with the Restructuring Transactions, the Plan, or this Agreement, by the Sponsor, the Committee, or by Consenting Term Loan Lenders holding Term Loan Claims in an aggregate outstanding principal amount such that non-breaching Consenting Term Loan Lenders (a) hold less than 66.67 percent of the aggregate outstanding principal amount of Term Loan Claims or (b) constitute less than 50 percent in number of the Term Loan Lenders, that has not been cured (to the extent curable) before five business days after notice to all Restructuring Support Parties given in accordance with Section 31 hereof of such breach;

(b) any of the Definitive Documentation (including any amendment or modification thereof) is filed with the Bankruptcy Court or otherwise finalized, or has become effective, that is not materially consistent with this Agreement or otherwise reasonably satisfactory to the Company, and such inconsistency has not been cured before five business days after notice to all Restructuring Support Parties given in accordance with Section 31 hereof of such breach;

(c) the issuance by any governmental authority, including the Bankruptcy Court, any regulatory authority, or any other court of competent jurisdiction, of any ruling or order enjoining the substantial consummation of the Restructuring Transactions in a way that cannot be reasonably remedied by the Company in a manner that is reasonably satisfactory to the Required Consenting Term Loan Lenders, the Committee, and the Sponsor or a final, non-appealable ruling or order preventing the consummation of a material portion of the Restructuring Transactions; or

(d) following the Company determining, upon advice of outside counsel, that proceeding with the Restructuring Transactions contemplated by this Agreement would be inconsistent with the continued exercise of its fiduciary duties as set forth in Section 20 hereof; *provided* that notwithstanding any provision of this Agreement to the contrary, upon such determination, the Company shall be entitled, but not required, to terminate this Agreement immediately upon written notice to each Restructuring Support Party delivered in accordance with Section 31 hereof; *provided*, *further*, that notwithstanding the foregoing, the Settlement, including the payment obligations and the releases as set forth

herein, shall survive termination of this Agreement and remain binding on the Company.

15. **Mutual Termination; Automatic Termination**. This Agreement and the obligations of all Parties hereunder may be terminated by mutual written agreement by and among Dream II Holdings, LLC, on behalf of the Company, the Committee, the Required Consenting Term Loan Lenders, and the Sponsor. Notwithstanding anything in this Agreement to the contrary, this Agreement shall terminate automatically without further required action upon the occurrence of the effective date of the Plan. Notwithstanding the foregoing, the Settlement, including the payment obligations and the releases as set forth herein, shall survive termination of this Agreement.

16. **Automatic Stay**. The Company acknowledges and agrees and shall not dispute that after the commencement of the Chapter 11 Cases, the giving of notice of termination of this Agreement by any Party pursuant to this Agreement shall not be a violation of the automatic stay of section 362 of the Bankruptcy Code (and the Company hereby waives, to the fullest extent permitted by law, the applicability of the automatic stay as it relates to any such notice being provided); *provided* that nothing herein shall prejudice any Party's rights to argue that the giving of notice of default or termination was not proper under the terms of this Agreement.

17. **Effect of Termination**. Upon the termination of this Agreement, this Agreement (other than with respect to the release and certain payment obligations of the Settlement, which shall survive termination), including the obligation to support the Plan, shall be of no further force or effect with respect to any Restructuring Support Party, and each Restructuring Support Party shall: (a) be released from its commitments, undertakings, and agreements under or related to this Agreement; (b) have the rights and remedies that it would have had, had it not entered into this Agreement; (c) be entitled to take all actions, whether with respect to the Restructuring Transactions or otherwise, that it would have been entitled to take had it not entered into this Agreement. Any and all consents tendered by any Restructuring Support Party prior to such termination shall be deemed, for all purposes, to be null and void *ab initio*, shall not be considered or otherwise used in any manner by the Parties in connection with the Restructuring Transactions, the Plan, and this Agreement or otherwise and such consents may be changed or resubmitted; *provided* that if the approval of the Bankruptcy Court shall be required under applicable law in order for a Restructuring Support Party to change or resubmit such consents, then the Company shall not oppose any attempt by such Restructuring Support Party to terminate, change, or resubmit the consent under this Section 17. The termination of this Agreement shall not relieve or absolve any Restructuring Support Party of any liability for any breaches of this Agreement that preceded the termination of the Agreement. Notwithstanding anything to the contrary in this Agreement, the foregoing shall not be construed to prohibit the Company or any Restructuring Support Party from contesting whether any such termination is in accordance with its terms or to seek enforcement of any rights under this Agreement that arose or existed before the Termination Date. Except as expressly provided in this Agreement, nothing in this Agreement is intended to, or does, in any manner waive, limit, impair, or restrict any right or ability of any Restructuring Support Party to protect and preserve its rights (including rights under this Agreement), remedies, and interests, including its claims against any other Restructuring Support Party. Notwithstanding anything else in this Agreement to the contrary, pursuant to the Settlement, (a) the obligation of the Consenting Term Loan Lenders to fund the

GUC Liquidation Recovery Pool from the first available proceeds of Term Loan Priority Collateral in the event that each of the Chapter 11 Cases are converted to, or the occurrence of, a Liquidation Case shall survive the termination of this Agreement (unless such termination is a result of a material breach of this Agreement by the Committee), (b) subject to the conditions set forth in Section 19(c)(iii) hereof, the obligation of the Sponsor or the Put Purchasers to fund the Last Out Loans Turnover Amount from the cash proceeds, if any, received by the Put Purchasers on account of the DIP Last Out Loan Claims upon a conversion of each of the Chapter 11 Cases to, or the occurrence of, a Liquidation Case, shall survive the termination of this Agreement (unless such termination is a result of a material breach of this Agreement by the Committee), (c) the obligation of the Committee set forth in Section 9(b) hereof shall survive the termination of this Agreement, and (d) the releases set forth in Section 18 of this Agreement (including, for the avoidance of doubt, the releases set forth in Section 18(d) hereof) and the rights set forth in Section 19 shall survive termination of this Agreement in all instances.

18. **Release**.

(a) On the Agreement Effective Date, each Consenting Term Loan Lender, and subject in all respects to Section 19 hereof, on behalf of itself and its predecessors, successors and assigns, subsidiaries, affiliates, managed accounts or funds, current and former officers, directors, principals, shareholders, members, partners, employees, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, management companies, fund advisors, and other professionals, in each case in their capacity as such (collectively, the "Consenting Term Loan Releasing Parties"), expressly and generally releases, acquits, and discharges (i) the Sponsor and the Put Purchasers, (ii) the Sponsor and the Put Purchaser's respective predecessors, successors and assigns, subsidiaries, affiliates (in each case of the foregoing, except the Company), managed accounts or funds or investment vehicles, and each of such entities' respective current and former officers, directors, principals, shareholders, members, partners, employees, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, management companies, fund advisors, and other professionals of the Sponsor and the Put Purchasers, and (iii) the current and former directors of the Company and its subsidiaries (including any Sponsor appointed directors and the Company's disinterested director), in each case in the foregoing (i) through (iii), in their capacity as such (collectively, the "Sponsor Released Parties"), from any and all claims, obligations, rights, suits, damages, causes of action, remedies, and liabilities whatsoever, including any derivative claims asserted or assertable on behalf of the Company, any claims asserted or assertable on behalf of any holder of any claim against or interest in the Company and any claims asserted or assertable on behalf of any other entity, whether known or unknown, foreseen or unforeseen, matured or unmatured, in law, equity, contract, tort, or otherwise, by statute or otherwise, that such Consenting Term Loan Releasing Parties (whether individually or collectively) ever

had, now has, or may have, based on or relating to, or in any manner arising from, in whole or in part, the Company (including the purchase, sale, rescission, or any other transaction relating to any security of or debt in the Company, or any other transaction) or the negotiation, formulation, or preparation of the Restructuring Transactions, in each case, (i) arising on or before the Agreement Effective Date and (ii) for any and all claims arising between the Agreement Effective Date and the effective date of the Plan, such release shall be effective as of the effective date of the Plan.

(b) On the Agreement Effective Date, the Sponsor and the Put Purchasers, subject in all respects to Section 19 hereof, on behalf of themselves and their predecessors, successors and assigns, subsidiaries, affiliates (in each case of the foregoing, except the Company), managed accounts or funds or investment vehicles, and each of such entities' respective current and former officers, directors, principals, shareholders, members, partners, employees, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, management companies, fund advisors, and other professionals of the Sponsor and the Put Purchasers, in each case in their capacity as such (collectively, the "Sponsor Releasing Parties"), expressly and generally releases, acquits, and discharges (i) the other applicable Sponsor Released Parties, (ii) each Consenting Term Loan Lender and the Term Loan Agent, and (iii) each Consenting Term Loan Lender's and Term Loan Agent's respective predecessors, successors and assigns, subsidiaries, affiliates, managed accounts or funds, and each of such entities' respective current and former officers, directors, principals, shareholders, members, partners, employees, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, management companies, fund advisors, and other professionals of the Term Loan Agent and each Consenting Term Loan Lender, in each case in the foregoing (i) through (iii), in their capacity as such (collectively, the "Consenting Term Loan Released Parties"), from any and all claims, obligations, rights, suits, damages, causes of action, remedies, and liabilities whatsoever, including any derivative claims asserted or assertable on behalf of the Company, any claims asserted or assertable on behalf of any holder of any claim against or interest in the Company and any claims asserted or assertable on behalf of any other entity, whether known or unknown, foreseen or unforeseen, matured or unmatured, in law, equity, contract, tort, or otherwise, by statute or otherwise, that such Sponsor Releasing Parties (whether individually or collectively) ever had, now has, or may have, based on or relating to, or in any manner arising from, in whole or in part, the Company (including the purchase, sale, rescission, or any other transaction relating to any security of or debt in the Company) or the negotiation, formulation, or preparation of the Restructuring Transactions, in each case, (i) arising on or before the Agreement Effective Date and (ii) for any and all claims arising between

the Agreement Effective Date and the effective date of the Plan, such release shall be effective as of the effective date of the Plan.

(c) On the Agreement Effective Date, subject in all respects to Section 19 hereof, the Company, on behalf of itself and its predecessors, successors and assigns (including, for the avoidance of doubt, any chapter 7 trustee of the Debtors' estates), subsidiaries, affiliates, and each of such entities' respective current and former officers, directors, principals, shareholders, members, partners, employees, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, management companies, fund advisors, and other professionals, in each case in their capacity as such (collectively, the "Company Releasing Parties"), and the Committee and its agents, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, in each case in their capacity as such (collectively, the "Committee Releasing Parties," and, together with the Sponsor Releasing Parties, the Consenting Term Loan Releasing Parties, and the Company Releasing Parties, the "Releasing Parties"), expressly and generally release, acquit, and discharge all claims, obligations, rights, suits, damages, causes of action, remedies, and liabilities whatsoever, including any derivative claims asserted or assertable on behalf of the Company, any claims asserted or assertable on behalf of any holder of any claim against or interest in the Company and any claims asserted or assertable on behalf of any other entity, whether known or unknown, foreseen or unforeseen, matured or unmatured, in law, equity, contract, tort, or otherwise, by statute or otherwise, that such Company Releasing Parties and Committee Releasing Parties (whether individually or collectively) ever had, now has, or may have, based on or relating to, or in any manner arising from, in whole or in part, the Company (including the purchase, sale, rescission, or any other transaction relating to any security of or debt in the Company) or the negotiation, formulation, or preparation of the Restructuring Transactions, in each case, against the Sponsor, any Sponsor Released Party, the Term Loan Agent, any Consenting Term Loan Lender, and any Consenting Term Loan Released Party (i) arising on or before the Agreement Effective Date and (ii) for any and all claims arising between the Agreement Effective Date and the effective date of the Plan, such release shall be effective as of the effective date of the Plan; *provided* that in the event that the effective date of the Plan does not occur, the releases in this Section 18(c) shall be subject to revocation by the Company Releasing Parties and the Committee Releasing Parties (i) with respect to the Sponsor, the Put Purchasers, and any Sponsor Released Party, solely if the Sponsor and the Put Purchasers breach their obligation to fund the Last Out Loans Turnover Amount from the cash proceeds, if any, received by the Put Purchasers on account of the DIP Last Out Loan Claims, and (ii) with respect to the Term Loan Agent, any Consenting Term Loan Lender, and any Consenting Term Loan Released Party, if the Consenting Term Loan

Lenders breach their obligation to consent to the Company's disbursement of the GUC Liquidation Recovery Pool.

(d) On the Agreement Effective Date, each Releasing Party expressly and generally releases, acquits, and discharges any derivative claims asserted or assertable on behalf of the Company and any claims asserted or assertable on behalf of any holder of any claim against or interest in the Company, whether known or unknown, foreseen or unforeseen, matured or unmatured, in law, equity, contract, tort, or otherwise, by statute or otherwise, that the Releasing Parties (whether individually or collectively) ever had, now has, or may have against each of the other Releasing Parties, based on or relating to, or in any manner arising from, in whole or in part, the Company (including the purchase, sale, rescission, or any other transaction relating to any security of or debt in the Company) or the negotiation, formulation, or preparation of this Agreement.

(e) Subject to Section 19 hereof, each of the Releasing Parties knowingly grants this Release notwithstanding that each Releasing Party may hereafter discover facts in addition to, or different from, those which either such Releasing Party now knows or believes to be true, and without regard to the subsequent discovery or existence of such different or additional facts, and each Releasing Party expressly waives any and all rights that such Releasing Party may have under any statute or common law principle which would limit the effect of the Release to those claims actually known or suspected to exist as of before the Agreement Effective Date or effective date of the Plan, as applicable.

(f) Subject to Section 19 hereof, in connection with their agreement to the foregoing Release, the Releasing Parties knowingly and voluntarily waive and relinquish any and all provisions, rights, and benefits conferred by any law of the United States or any state or territory of the United States, or principle of common law, which governs or limits a person's release of unknown claims, comparable or equivalent to California Civil Code § 1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

(g) Each of the Releasing Parties hereby represents and warrants that it has access to adequate information regarding the terms of this Agreement, the scope and effect of the Release, and all other matters encompassed by this Agreement to make an informed and knowledgeable decision with regard to entering into this Agreement. Each of the Releasing Parties further

represents and warrants that it has not relied upon any other Party in deciding to enter into this Agreement and has instead made its own independent analysis and decision to enter into this Agreement.

19. **Revocation of Release**.

(a) Subject to Section 19(c) and Section 19(d) hereof, a Release provided in Section 18 hereof shall be deemed revoked if any Party receives a notice from any other Party (each, a "Release Revocation Notice") of the occurrence of a Release Revocation Event (as defined herein) and the recipient(s) of the Release Revocation Notice fails to cure such Release Revocation Event within five business days of receipt of such Release Revocation Notice (the "Revocation Cure Period") or such Release Revocation Notice is not otherwise rescinded; *provided* that in the event the recipient(s) of a Release Revocation Notice disputes either the occurrence of a Release Revocation Event or the failure of the recipient(s) to cure the Release Revocation Event within the Revocation Cure Period, such recipient(s) shall have five business days from the expiration of the Revocation Cure Period to seek a determination by the Bankruptcy Court or such other court of competent jurisdiction having jurisdiction over such claim in accordance with this Agreement as to whether a Release Revocation Event occurred and was not cured within the Revocation Cure Period.

(b) Release Revocation Event. For the purposes of this Agreement, a "Release Revocation Event" means a breach by any Party (other than the Releasing Party seeking to revoke the Release) of any material commitment by such Party or of the Releases provided in Section 18 hereof. The foregoing shall also be subject to Section 19(d) hereof.

(c) Effect of Revocation of Release.

(i) Revocation of a Release as a result of a Release Revocation Event as contemplated in subsections (ii) and (iii) of this Section 19(c) shall result in a full and complete restoration of any and all claims, liabilities, and causes of action subject to such Release, and such Release shall be void *ab initio*, in each case, to the extent contemplated in subsections (ii) and (iii) of this Section 19(c).

(ii) In the case of a Release Revocation Event: (A) if the breaching Party is a Sponsor or a Put Purchaser, the Releases in Section 18 hereof shall be revoked with respect to all of the Releases granted to the Sponsor Released Parties (and such Sponsor Released Parties shall no longer have the benefit of such Release), (B) if the breaching Party is a Consenting Term Loan Lender, the Releases in Section 18 hereof shall only be revoked with respect to the Releases granted to such breaching Consenting Term Loan Lender

and its respective Consenting Term Loan Released Parties (and such Consenting Term Loan Released Parties shall no longer have the benefit of such Release), (C) if the breaching Party is a Company Releasing Party, the Releases in Section 18 hereof shall be revoked with respect to all of the Releases granted to the Company Releasing Parties (and such Company Releasing Parties shall no longer have the benefit of such Release), and (D) if the breaching Party is a Committee Releasing Party, the Releases in Section 18 hereof shall be revoked with respect to all of the Releases granted to the Committee Releasing Parties (and such Committee Releasing Parties shall no longer have the benefit of such Release). Other than as set forth in this subsection (ii) of Section 19(c) hereof, the revocation of any Release under Section 19(b) hereof shall not operate as a revocation of, nor otherwise impair or affect, any other Release.

(iii) In the case of a Release Revocation Event: (A) due to a Party bringing an action or claim against the Sponsor, a Put Purchaser, or any Sponsor Released Party, the Releases granted by the Sponsor Releasing Parties in Section 18 hereof shall be revoked in their entireties, and the Put Purchasers shall have no obligation to (1) "roll" their participation in the DIP Last Out Loans into the Exit ABL Facility or (2) cause to be distributed the Last Out Loans Turnover Amount, and (B) due to a Party bringing an action or claim against the Term Loan Lenders or any Consenting Term Loan Released Party, the Releases granted by the Consenting Term Loan Releasing Parties in Section 18 hereof shall be revoked in their entireties, and the Term Loan Lenders shall have no obligation to perform under this Agreement.

(d) Events Not Subject to Revocation.

(i) Notwithstanding anything else to the contrary herein, no Release may be revoked by any Releasing Party (including the Company Releasing Parties or any successor thereto, including a chapter 7 trustee, the Consenting Term Loan Releasing Parties, and the Committee Releasing Parties pursuant to Section 18(c) hereof):

a. following the effective date of the Plan;

b. irrespective of whether any Chapter 11 plan has been confirmed, with respect to the Sponsor, the Put Purchasers, and any Sponsor Released Party, so long as the Sponsor, the Put Purchasers, and any Sponsor Released Party have not breached their obligations to fund the Last Out Loans Turnover Amount from the cash proceeds, if any, received by

the Put Purchasers on account of the DIP Last Out Loan Claims; or

c. irrespective of whether any Chapter 11 plan has been confirmed, with respect to the Term Loan Agent, any Consenting Term Loan Lender, and any Consenting Term Loan Released Party, so long as the Consenting Term Loan Lenders have not breached their obligations to provide the GUC Liquidation Recovery Pool.

20. **Fiduciary Duties**. Notwithstanding anything to the contrary herein, nothing in this Agreement shall require (i) the Company, or any directors, officers, or employees of the Company (in such person's capacity as a director, officer, or employee) or (ii) the Committee, or any of its members, each in its capacity as such, to take any action, or to refrain from taking any action, to the extent that the Company, its board of directors or officers, the Committee, or any of its members determines in good faith, upon advice of counsel, that taking such action or refraining from taking such action may be inconsistent with its or their fiduciary obligations under applicable law, and any such exercise of such fiduciary duties shall not be deemed to constitute a breach of the terms of this Agreement; *provided* that the effect of any such action or inaction (and to the extent the Company or the Committee does not terminate this Agreement in accordance with this Section 20 and Section 14(d) or Section 13(c) hereof, as applicable), shall provide the Consenting Term Loan Lenders and the Sponsor the ability to take actions in accordance with Section 11 or Section 12 hereof, respectively, to terminate this Agreement. The Company or the Committee, as applicable, in its or their sole discretion, may (but shall not be required to) terminate this Agreement in accordance with Section 14(d) or Section 13(c) hereof, as applicable, and specific performance shall not be available as a remedy if this Agreement is terminated in accordance with this Section 20 and Section 14(d) or Section 13(c) hereof, as applicable, *provided* that a non-breaching party may seek specific performance for any violation of Section 18 and Section 19 of this Agreement. All Consenting Term Loan Lenders reserve all rights they may have, including the right (if any) to challenge any exercise by the Company or the Committee of its or their ability to terminate this Agreement under Section 14(d) or Section 13(c) hereof, as applicable, pursuant to this Section 20.

21. **Transfers of Claims and Interests**. During the Plan Support Period, subject to the terms and conditions hereof, each Restructuring Support Party shall not make a Transfer, unless such Transfer is to another Restructuring Support Party or any other entity that first agrees in writing to be bound by the terms of this Agreement by executing and delivering to the Company the Transferee Joinder. Upon compliance with the foregoing, the Transferor shall be deemed to relinquish its rights (and be released from its obligations, except for any claim for breach of this Agreement that occurs prior to such Transfer) under this Agreement to the extent of such transferred rights and obligations. Any Transfer made in violation of this Section 21 shall be deemed null and void *ab initio* and of no force or effect, regardless of any prior notice provided to the Company and/or any Restructuring Support Party, and shall not create any obligation or liability of the Company or any other Restructuring Support Party to the purported transferee.

22. **Further Acquisition of Claims or Interests**. Except as set forth in Section 21 hereof, nothing in this Agreement shall be construed as precluding any Consenting Term Loan Lender or any of its affiliates from acquiring additional DIP Term Loan Claims or Term Loan Claims or interests in the instruments underlying the DIP Term Loan Claims or Term Loan Claims; *provided* that any such additional DIP Term Loan Claims or Term Loan Claims acquired by any Consenting Term Loan Lender or by any of its affiliates shall automatically be subject to the terms and conditions of this Agreement. Upon any such further acquisition by a Consenting Term Loan Lender or any of its affiliates, such Consenting Term Loan Lender shall promptly notify counsel to the Company.

23. **Consents and Acknowledgments**.

(a) Each Party irrevocably acknowledges and agrees that this Agreement is not and shall not be deemed to be a solicitation for acceptances of the Plan for purposes of sections 1125, 1126, and 1127 of the Bankruptcy Code or otherwise. Any such offer or solicitation will be made only in compliance with all applicable securities laws and provisions of the Bankruptcy Code.

(b) By executing this Agreement, each Restructuring Support Party (including, for the avoidance of doubt, any entity that may execute this Agreement or a Transferee Joinder after the Agreement Effective Date) consents to the Company's use of its cash collateral and incurrence of debtor-in-possession financing expressly as authorized by, and subject to the terms of, the DIP Orders.

(c) By executing this Agreement, each Restructuring Support Party (including, for the avoidance of doubt, any entity that may execute this Agreement or a Transferee Joinder after the Agreement Effective Date) forbears from exercising remedies with respect to any Default or Event of Default (as defined under the Term Loan Credit Agreement) that is caused by the Company's entry into this Agreement or the other documents related to this Agreement and the transactions contemplated in this Agreement, and agrees to direct the Term Loan Agent to not exercise remedies to the extent that any other Term Loan Lender directs it to exercise such remedies.

24. **Representations and Warranties**.

(a) Each Restructuring Support Party hereby represents and warrants on a several and not joint basis for itself and not any other person or entity that the following statements are true, correct, and complete, to the best of its actual knowledge, as of the date hereof:

(i) it has the requisite organizational power and authority to enter into this Agreement and to carry out the transactions contemplated by, and perform its respective obligations under, this Agreement;

(ii) the execution and delivery of this Agreement and the performance of its obligations hereunder have been duly authorized by all necessary corporate or other organizational action on its part;

(iii) to the extent it is a Consenting Term Loan Lender or the Sponsor, the execution and delivery by it of this Agreement does not violate its certificates of incorporation, or bylaws, or other organizational documents;

(iv) the execution, delivery, and performance by it of this Agreement does not require any registration or filing with, the consent or approval of, notice to, or any other action with any federal, state, or other governmental authority or regulatory body, except (i) any of the foregoing as may be necessary and/or required for disclosure by the Securities and Exchange Commission and applicable state securities or "blue sky" laws, (ii) any of the foregoing as may be necessary and/or required in connection with the Chapter 11 Cases, including the approval of the Disclosure Statement and confirmation of the Plan, (iii) filings of amended certificates of incorporation or articles of formation or other organizational documents with applicable state authorities, and other registrations, filings, consents, approvals, notices, or other actions that are reasonably necessary to maintain permits, licenses, qualifications, and governmental approvals to carry on the business of the Company, and (iv) any other registrations, filings, consents, approvals, notices, or other actions, the failure of which to make, obtain or take, as applicable, would not be reasonably likely, individually or in the aggregate, to materially delay or materially impair the ability of any Party hereto to consummate the transactions contemplated hereby;

(v) this Agreement is its legally valid and binding obligation, enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or other similar laws relating to or limiting creditors' rights generally, or by equitable principles relating to enforceability;

(vi) it is an "accredited investor" within the meaning of Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended (provided that the Committee is not required to satisfy this requirement), with sufficient knowledge and experience to evaluate properly the terms and conditions of this Agreement, the Disclosure Statement, the Plan, and any other Definitive Documentation, and it has made its own analysis and decision to enter into this Agreement; and

(vii) it (A) either (1) is the sole owner of the claims and interests identified below its name on its signature page hereof and in the amounts set forth therein, or (2) has all necessary investment or voting discretion with respect to the principal amount of claims and interests identified below its name on its signature page hereof, and has the power and authority to bind the owner(s) of such claims and interests to the terms of this Agreement; (B) is entitled (for its own accounts or for the accounts of such other owners) to all of the rights and economic benefits of such claims and interests; and (C) to the knowledge of the individuals working on the Restructuring Transactions, does not directly or indirectly own any Term Loan Claims, other than as identified below its name on its signature page hereof; *provided* that the foregoing shall not apply to the Committee.

(b) Each Company entity hereby represents and warrants on a joint and several basis (and not any other person or entity other than each Company entity) that the following statements are true, correct, and complete, to the best of its actual knowledge, as of the date hereof:

(i) it has the requisite corporate or other organizational power and authority to enter into this Agreement and to carry out the transactions contemplated by, and perform its respective obligations under, this Agreement;

(ii) the execution and delivery of this Agreement and the performance of its obligations hereunder have been duly authorized by all necessary corporate or other organizational action on its part, including approval of each of the independent directors of each of the corporate entities that comprise the Company;

(iii) the execution and delivery by it of this Agreement does not (A) violate its certificates of incorporation, or bylaws, or other organizational documents, or those of any of its affiliates in any material respect, or (B) result in a breach of, or constitute (with due notice or lapse of time or both) a default (other than, for the avoidance of doubt, a breach or default that would be triggered as a result of the Company undertaking to implement the Restructuring Transactions through the Chapter 11 Cases) under any material contractual obligation to which it or any of its affiliates is a party;

(iv) the execution and delivery by it of this Agreement does not require any registration or filing with, the consent or approval of, notice to, or any other action with any federal, state, or other governmental authority or regulatory body, other than, for the avoidance of doubt, the actions with governmental authorities or regulatory

bodies required in connection with implementation of the Restructuring Transactions;

(v) subject to the provisions of sections 1125 and 1126 of the Bankruptcy Code, this Agreement is its legally valid and binding obligation, enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or other similar laws relating to or limiting creditors' rights generally, or by equitable principles relating to enforceability; and

(vi) it has sufficient knowledge and experience to evaluate properly the terms and conditions of the Plan and this Agreement, and has been afforded the opportunity to consult with its legal and financial advisors with respect to its decision to execute this Agreement, and it has made its own analysis and decision to enter into this Agreement and otherwise investigated this matter to its full satisfaction.

25. **Relationship Among Parties**. Notwithstanding anything herein to the contrary, (i) the duties and obligations of the Parties under this Agreement shall be several, not joint; (ii) no Party shall have any responsibility by virtue of this Agreement for any trading by any other entity; (iii) no prior history, pattern, or practice of sharing confidences among or between the Parties shall in any way affect or negate this Agreement; (iv) the Parties hereto acknowledge that this Agreement does not constitute an agreement, arrangement, or understanding with respect to acting together for the purpose of acquiring, holding, voting, or disposing of any equity securities of the Company, the Parties do not constitute a "group" within the meaning of Rule 13d-5 under the Securities Exchange Act of 1934, as amended, and no action taken by any Party pursuant to this Agreement shall be deemed to create a presumption that the Parties are, in any way, acting as a "group"; and (v) none of the Restructuring Support Parties shall have any fiduciary duty, any duty of trust or confidence in any form, or other duties or responsibilities in any kind or form to each other, the Company or any of the Company's other lenders or stakeholders, including as a result of this Agreement or the transactions contemplated hereby; *provided* that the preceding sentence shall not apply to any of the Committee's fiduciary duties under applicable law.

26. **Remedies**. It is understood and agreed by the Parties that breach of this Agreement would give rise to irreparable damage for which monetary damages may not be an adequate remedy and each non-breaching Party shall be entitled to seek specific performance and injunctive or other equitable relief as a remedy of any such breach of this Agreement, including an order of the Bankruptcy Court or other court of competent jurisdiction requiring any Party to comply promptly with any of its obligations hereunder, *provided* specific performance shall not be an available remedy against the Company if the Company or the Committee validly terminates this Agreement in accordance with, and subject to, Section 14(d) or Section 13(c) hereof, as applicable. Notwithstanding the foregoing, any non-breaching party may seek specific performance and injunctive relief for any violations of Section 18 and Section 19 of this Agreement. The Parties agree that such relief will be their only remedy against the applicable

breaching Party or Parties with respect to any such breach, and that in no event will any Party be liable for monetary damages under or in connection with this Agreement.

27. **Governing Law & Jurisdiction**. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to such state's choice of law provisions which would require the application of the law of any other jurisdiction, except where preempted by the Bankruptcy Code. By its execution and delivery of this Agreement, each Party irrevocably and unconditionally agrees for itself that any legal action, suit, or proceeding against it with respect to any matter arising under or arising out of or in connection with this Agreement or for recognition or enforcement of any judgment rendered in any such action, suit, or proceeding, may be brought in the United States District Court for the Southern District of New York, and by executing and delivering this Agreement, each of the Parties irrevocably accepts and submits itself to the exclusive jurisdiction of such court, generally and unconditionally, with respect to any such action, suit or proceeding. Notwithstanding the foregoing consent to New York jurisdiction, if the Chapter 11 Cases are commenced, each Party agrees that the Bankruptcy Court shall have exclusive jurisdiction of all matters arising out of or in connection with this Agreement. By executing and delivering this Agreement, and upon commencement of the Chapter 11 Cases, each of the Parties irrevocably and unconditionally submits to the personal jurisdiction of the Bankruptcy Court solely for purposes of any action, suit, proceeding, or other contested matter arising out of or relating to this Agreement, or for recognition or enforcement of any judgment rendered or order entered in any such action, suit, proceeding, or other contested matter.

28. **Waiver of Right to Trial by Jury**. Each of the Parties waives any right to have a jury participate in resolving any dispute, whether sounding in contract, tort or otherwise, between any of the Parties arising out of, connected with, relating to, or incidental to the relationship established between any of them in connection with this Agreement. Instead, any disputes resolved in court shall be resolved in a bench trial without a jury.

29. **Successors and Assigns**. Except as otherwise provided in this Agreement, this Agreement is intended to bind and inure to the benefit of each of the Parties and each of their respective permitted successors, assigns, heirs, executors, administrators, and representatives, including any chapter 7 trustee.

30. **No Third-Party Beneficiaries**. Unless expressly stated herein, this Agreement shall be solely for the benefit of the Parties and no other person or entity shall be a third-party beneficiary of this Agreement.

31. **Notices**. All notices (including any notice of termination or breach) and other communications from any Party hereunder shall be in writing and shall be deemed to have been duly given if personally delivered by courier service, messenger, email, or facsimile to the other Parties at the applicable addresses below, or such other addresses as may be furnished hereafter by notice in writing. Any notice of termination or breach shall be delivered to all other Parties.

(a) If to the Company:

Hollander Sleep Products, LLC
901 Yamato Road
Suite 250
Boca Raton, Florida 33431
Attn: Marc. L. Pfefferle
Email: mpfefferle@carlmarks.com

With a copy to:

Kirkland & Ellis LLP
300 North LaSalle
Chicago, Illinois 60654
Attn: Joseph M. Graham
Laura Krucks
Email: joe.graham@kirkland.com
laura.krucks@kirkland.com

(b) If to the Sponsor:

Sentinel Capital Partners
330 Madison Avenue, 27th Floor
New York, New York 10017
Attn: Vincent E. Taurassi
Email: Taurassi@sentinelpartners.com

With a copy to:

Kramer Levin Naftalis & Frankel LLP
1177 Avenue of the Americas
New York, New York 10036
Attn: Adam Rogoff
Email: arogoff@kramerlevin.com

(c) If to the Committee:

Pachulski Stang Ziehl & Jones, LLP
780 Third Avenue 34th Floor
New York, New York 10027
Attn: Robert J. Feinstein
Bradford J. Sandler
Email: rfeinstein@pszjlaw.com
bsandler@pszjlaw.com

(d) If to the Consenting Term Loan Lenders:

To each Consenting Term Loan Lender at the addresses or e-mail addresses set forth below the Consenting Term Loan Lender's signature page to this Agreement (or to the signature page to a Transferee Joinder as the case may be).

With a copy to:

King & Spalding LLP
1180 Peachtree Street, NE Suite 1600
Atlanta, Georgia 30309
Attn: W. Austin Jowers
Email: ajowers@kslaw.com

and

King & Spalding LLP
1185 Avenue of the Americas
34th Floor
New York, New York 10036
Attn: Christopher Boies
Stephen M. Blank
Email: sboies@kslaw.com
sblank@kslaw.com

32. **Entire Agreement**. This Agreement (including each of the exhibits hereto and any schedules to such exhibits) constitutes the entire agreement of the Parties with respect to the subject matter of this Agreement, and supersedes all prior negotiations, agreements, and understandings, whether written or oral, among the Parties with respect to the subject matter of this Agreement.

33. **Amendments**. Except as otherwise provided herein, this Agreement may not be modified, amended, or supplemented without the prior written consent of the Company, the Required Consenting Term Loan Lenders, and the Sponsor (but only with respect to this Agreement, not the DIP Term Loan Commitment Letter or the Exit Term Loan Commitment Letter unless such amendments, modifications, or supplements have an adverse effect on the Sponsor or the treatment of the Last Out Loans or DIP Last Out Loans); *provided* that any modification, amendment, or change to (a) the definition of Required Consenting Term Loan Lenders or the threshold of Consenting Term Loan Lenders set forth in Section 11 hereof shall also require the written consent of each Consenting Term Loan Lender, (b) this Section 33 shall require the written consent of the Company, each Consenting Term Loan Lender, the Committee, and the Sponsor, (c) this Agreement that treats or affects any Consenting Term Loan Lender in a manner that is disproportionally adverse, on an economic or non-economic basis, to the treatment of other holders of Term Loan Claims, shall also require the written consent of such Consenting Term Loan Lender, or (d) this Agreement that adversely affects, in any material

respect, the interests of holders of General Unsecured Claims, shall also require the written consent of the Committee.

34. **Reservation of Rights**. Subject to and except as expressly provided in this Agreement or in any amendment thereof agreed upon by the Parties pursuant to the terms hereof, nothing herein is intended to, or does, in any manner waive, limit, impair or restrict the ability of each of the Parties to protect and preserve its rights, remedies and interests, including its claims against any of the other Parties (or their respective affiliates or subsidiaries) or its full participation in the Chapter 11 Cases. Without limiting the foregoing sentence in any way, if the Restructuring Transactions are not consummated, or if this Agreement is terminated for any reason, nothing in this Agreement shall be construed as a waiver by any Party of any or all of such Party's rights, remedies, claims and defenses, and the Parties expressly reserve any and all of their respective rights, remedies, claims and defenses. This Agreement shall in no event be construed as, or be deemed to be, evidence of an admission or concession on the part of any Party of any claim or fault or liability or damages whatsoever. Any waiver shall not be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent default, misrepresentation, or breach of warranty or covenant. Each of the Parties denies any and all wrongdoing or liability of any kind and does not concede any infirmity in the claims or defenses which it has asserted or could assert. This Agreement is part of a proposed settlement of matters that could otherwise be the subject of litigation among the Parties hereto. Pursuant to Federal Rule of Evidence 408 and any applicable state rules of evidence, all negotiations relating to this Agreement shall not be admissible into evidence in any proceeding other than a proceeding to enforce the terms of this Agreement.

35. **Counterparts**. This Agreement may be executed in one or more counterparts, each of which, when so executed, shall constitute the same instrument, and the counterparts may be delivered by facsimile transmission or by electronic mail in portable document format (.pdf).

36. **Disclosures**. The Company shall (a) submit drafts to the Term Loan Agent Counsel, Committee Counsel, and Sponsor Counsel of any press releases and public documents that constitute the disclosure of the existence or terms of this Agreement or any amendment to the terms of this Agreement at least two business days or as soon as reasonably practicable prior to making any such disclosure and (b) consult with the Term Loan Agent Counsel, Committee Counsel, and Sponsor Counsel in good faith regarding the form and substance of such disclosure(s), including consideration of inclusion of any comments reasonably requested by the Term Loan Agent Counsel, Committee Counsel, or Sponsor Counsel. Except as required by law or otherwise permitted under the terms of any other agreement between the Company, on the one hand, and the Term Loan Lenders, on the other hand (including the DIP Term Loan Agreement and related documents), this Agreement, as well as its terms, its existence, and the existence of the negotiation of its terms are expressly subject to any existing confidentiality agreements executed by and among any of the Parties as of the date hereof (including any such provisions in the Term Loan Credit Agreement); *provided* that (i) such information may be disclosed to Term Loan Lenders not party hereto, subject to the confidentiality provisions in the Term Loan Credit Agreement, and (ii) after the Petition Date, the Parties may disclose the existence of, or the terms of, this Agreement or any other material term of the transaction contemplated herein without the express written consent of the other Parties; *provided*, *further*, that no Party or its advisors shall

disclose to any person or entity (including, for the avoidance of doubt, any other Party), other than advisors to the Company, the principal amount or percentage of any claims, loans, or other interests held by the Consenting Term Loan Lenders or the Sponsor, in each case, without the prior written consent of such Consenting Term Loan Lender or the Sponsor, as applicable.

37. **Headings**. The section headings of this Agreement are for convenience of reference only and shall not, for any purpose, be deemed a part of this Agreement.

38. **Interpretation**. This Agreement is the product of negotiations among the Parties, and the enforcement or interpretation hereof, is to be interpreted in a neutral manner, and any presumption with regard to interpretation for or against any Party by reason of that Party having drafted or caused to be drafted this Agreement or any portion hereof, shall not be effective in regard to the interpretation hereof.

39. **Representation by Counsel**. Each Party acknowledges that it has had the opportunity to be represented by counsel in connection with this Agreement and the transactions contemplated hereunder. Accordingly, any rule of law or any legal decision that would provide any Party with a defense to the enforcement of the terms of this Agreement against such Party based upon lack of legal counsel shall have no application and is expressly waived.

40. **Consideration**. The Parties hereby acknowledge that no consideration, other than that specifically described herein, shall be due or paid to any Party for its agreement to vote to accept the Plan in accordance with the terms and conditions of this Agreement.

41. **Computation of Time**. Rule 9006(a) of the Federal Rules of Bankruptcy Procedure applies in computing any period of time prescribed or allowed herein only to the extent such period of time governs a Milestone pertaining to the entry of an order by the Bankruptcy Court in the Chapter 11 Cases.

[*Signatures and exhibits follow*.]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date and year first written above.

DREAM II HOLDINGS, LLC,

Name: Marc Pfefferle
Title: Chief Executive Officer

HOLLANDER SLEEP PRODUCTS CANADA LIMITED (CANADA)

Name: Marc Pfefferle
Title: Chief Executive Officer

DREAM II HOLDINGS, LLC,
Sole Member of Hollander Home Fashions Holdings, LLC

Name: Marc Pfefferle
Title: Chief Executive Officer

HOLLANDER HOME FASHIONS HOLDINGS, LLC,
Sole Member of Hollander Sleep Products, LLC

Name: Marc Pfefferle
Title: Chief Executive Officer

HOLLANDER SLEEP PRODUCTS, LLC,
Sole Member of Hollander Sleep Products Kentucky, LLC

Name: Marc Pfefferle
Title: Chief Executive Officer

HOLLANDER SLEEP PRODUCTS, LLC,
Sole Member of Pacific Coast Feather, LLC

Name: Marc Pfefferle
Title: Chief Executive Officer

PACIFIC COAST FEATHER, LLC,
Sole Member of Pacific Coast Feather Cushion, LLC

Name: Marc Pfefferle
Title: Chief Executive Officer

BARINGS GLOBAL PRIVATE LOANS 1 S.À R.L
acting by its attorney [redacted]

By: [redacted]
Name:
Title:

Principal Amount of Term Loan Claims: [redacted]

Notice Address:
300 S. Tryon
Suite 2500
Charlotte, NC 28202

Fax: 413-226-3953
Attention: [redacted]
Email: [redacted]

BARINGS GLOBAL PRIVATE LOANS 2 S.À R.L
acting by its attorney [redacted]

By: [redacted]
Name:
Title:

Principal Amount of Term Loan Claims: [redacted]

Notice Address:
300 S. Tryon
Suite 2500
Charlotte, NC 28202

Fax: 413-226-3953
Attention: [redacted]
Email: [redacted]

BCF SENIOR FUNDING I LLC
By: Barings Finance LLC, its Designated Manager

By: [redacted]
Name: [redacted]
Title:

Principal Amount of Term Loan Claims: [redacted]

Notice Address:
300 S. Tryon
Suite 2500
Charlotte, NC 28202

Fax: 413-226-3953
Attention: [redacted]
Email: [redacted]

C.M. LIFE INSURANCE COMPANY
By: Barings LLC, as Investment Adviser

By: [redacted]
Name: [redacted]
Title:

Principal Amount of Term Loan Claims: [redacted]

Notice Address:
300 S. Tryon
Suite 2500
Charlotte, NC 28202

Fax: 413-226-3953
Attention: [redacted]
Email: [redacted]

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
By: Barings LLC, as Investment Adviser

By: [redacted]
Name:
Title:

Principal Amount of Term Loan Claims: [redacted]

Notice Address:
300 S. Tryon
Suite 2500
Charlotte, NC 28202

Fax: 413-226-3953
Attention: [redacted]
Email: [redacted]

NAPLF (CAYMAN) SENIOR FUNDING I LLC
By: Barings LLC, as Servicer

By: [redacted]
Name:
Title:

Principal Amount of Term Loan Claims: [redacted]

Notice Address:
300 S. Tryon
Suite 2500
Charlotte, NC 28202

Fax: 413-226-3953
Attention: [redacted]
Email: [redacted]

NAPLF (CAYMAN)-A SENIOR FUNDING I LLC
By: Barings LLC, as Servicer

By: [redacted]
Name:
Title:

Principal Amount of Term Loan Claims: [redacted]

Notice Address:
300 S. Tryon
Suite 2500
Charlotte, NC 28202

Fax: 413-226-3953
Attention: [redacted]
Email: [redacted]

NAPLF SENIOR FUNDING I LLC
By: Barings LLC, as Servicer

By: [redacted]
Name:
Title:

Principal Amount of Term Loan Claims: [redacted]

Notice Address:
300 S. Tryon
Suite 2500
Charlotte, NC 28202

Fax: 413-226-3953
Attention: [redacted]
Email: [redacted]

ING CAPITAL LLC

By: [redacted]
Name:
Title:

By: [redacted]
Name:
Title:

Principal Amount of Term Loan Claims: [redacted]

Notice Address: 1133 Avenue of the Americas
New York, NY 10036

Fax: 646 424 6390
Attention: [redacted]
Email: [redacted]

PENNANTPARK SBIC II LP

By: [redacted]

Name:
Title:

Principal Amount of Term Loan Claims: [redacted]

Notice Address:
590 Madison Avenue, 15th Floor
New York, NY 10022

Fax: 212-905-1075
Attention: [redacted]
Email: [redacted]

PENNANTPARK FLOATING RATE FUNDING I, LLC

By: [redacted]

Name:
Title:

Principal Amount of Term Loan Claims: [redacted]

Notice Address:
590 Madison Avenue, 15th Floor
New York, NY 10022

Fax: 212-905-1075
Attention: [redacted]
Email: [redacted]

PENNANTPARK CREDIT OPPORTUNITIES FUND II, LP

By: [redacted]

Name:
Title:

Principal Amount of Term Loan Claims: [redacted]

Notice Address:
590 Madison Avenue, 15th Floor
New York, NY 10022

Fax: 212-905-1075
Attention: [redacted]
Email: [redacted]

FIRST EAGLE DARTMOUTH HOLDING LLC
By: First Eagle Private Credit, LLC, its Manager

By: [redacted]
Name:
Title:

Principal Amount of Term Loan Claims: [redacted]

Notice Address: U.S. Bank N.A.
1 Federal Street, 3rd Floor
Boston, MA 02110

Fax: 844-489-4494
Attention: First Eagle Dartmouth Holding LLC
Email: [redacted]

NEWSTAR COMMERCIAL LOAN FUNDING 2016-1 LLC
By: First Eagle Private Credit, LLC, its Designated Manager

By: [redacted]
Name:
Title:

Principal Amount of Term Loan Claims: [redacted]

Notice Address: U.S. Bank N.A.
1 Federal Street, 3rd Floor
Boston, MA 02110

Fax: 844-489-4488
Attention: NewStar Commercial Loan Funding 2016-1 LLC
Email: [redacted]

NEWSTAR COMMERCIAL LOAN FUNDING 2017-1 LLC
By: First Eagle Private Credit, LLC, its Designated Manager

By: [redacted]
Name:
Title:

Principal Amount of Term Loan Claims: [redacted]

Notice Address: U.S. Bank N.A.
1 Federal Street, 3rd Floor
Boston, MA 02110

Fax: 844-489-4446
Attention: NewStar Commercial Loan Funding 2017-1 LLC
Email: [redacted]

NEWSTAR ARLINGTON SENIOR LOAN PROGRAM LLC
By: First Eagle Private Credit, LLC, its Designated Manager

By: [redacted]
Name:
Title:

Principal Amount of Term Loan Claims: [redacted]

Notice Address: U.S. Bank N.A.
1 Federal Street, 3rd Floor
Boston, MA 02110

Fax: 844-328-7722
Attention: NewStar Arlington Senior Loan Program LLC
Email: [redacted]

FIRST EAGLE BERKELEY FUND CLO LLC
By: First Eagle Private Credit, LLC, its Designated Manager

By: [redacted]
Name:
Title:

Principal Amount of Term Loan Claims: [redacted]

Notice Address: U.S. Bank N.A.
1 Federal Street, 3rd Floor
Boston, MA 02110

Fax: 844-602-9186
Attention: First Eagle Berkeley Fund CLO LLC
Email: [redacted]

NEWSTAR CLARENDON FUND CLO LLC
By: First Eagle Private Credit, LLC, its Designated Manager

By: [redacted]
Name:
Title:

Principal Amount of Term Loan Claims: [redacted]

Notice Address: U.S. Bank N.A.
1 Federal Street, 3rd Floor
Boston, MA 02110

Fax: 844-328-7723
Attention: NewStar Clarendon Fund CLO LLC
Email: [redacted]

NEWSTAR EXETER FUND CLO LLC
By: First Eagle Commercial Loan Originator II LLC, its Designated Manager

By: [redacted]
Name:
Title:

Principal Amount of Term Loan Claims: [redacted]

Notice Address: Wells Fargo Bank, N.A.
9062 Old Annapolis Road
Columbia, MD 21045-1951

Fax: 844-879-2762
Attention: NewStar Exeter Fund CLO LLC
Email: [redacted]

NEWSTAR FAIRFIELD FUND CLO LTD.
By: First Eagle Commercial Loan Originator II LLC, its Designated Manager

By: [redacted]
Name:
Title:

Principal Amount of Term Loan Claims: [redacted]

Notice Address: Wells Fargo Bank, N.A.
9062 Old Annapolis Road
Columbia, MD 21045-1951

Fax: 844-879-2770
Attention: NewStar Fairfield Fund CLO Ltd.
Email: [redacted]

SENTINEL CAPITAL PARTNERS, LLC, on behalf of itself and each of its affiliated investment funds or investment vehicles managed or advised by it, and its affiliates that directly or indirectly hold interests in Dream II Holdings, LLC, together with certain of its direct and indirect subsidiaries, as a Sponsor

By: [redacted]
Name:
Title:

The Official Committee of Unsecured Creditors of Hollander Sleep Products, LLC and Its Co-Debtors and Debtors-in-Possession

By: /s/ Robert J. Feinstein
Its duly authorized representative
Name: Robert J. Feinstein
Pachulski Stang Ziehl & Jones LLP
Title: Partner

Exhibit A to the Amended and Restated Restructuring Support and Settlement Agreement

Plan

Filed at Docket No. 233

Exhibit B to the Amended and Restated Restructuring Support and Settlement Agreement

DIP Term Loan Commitment Letter

Execution Version

CONFIDENTIAL

May 19, 2019

Hollander Sleep Products, LLC
6501 Congress Avenue
Suite 300
Boca Raton, FL 33487
Attention: Marc Pfefferle

Hollander Sleep Products, LLC
$28,000,000 DIP Term Loan Facility
DIP Commitment Letter

Mr. Pfefferle:

Each of the undersigned (collectively, the "DIP Commitment Parties" and each individually, a "DIP Commitment Party") hereby, severally but not jointly, commits to provide (directly and/or through one or more of its affiliates, accounts managed or sub-managed by it or its affiliates and direct or indirect subsidiaries, each such affiliate, account subsidiary or any other lender under the DIP Term Loan Facility, as hereinafter defined, a "DIP Term Loan Lender") the portion set forth opposite its name on Schedule I hereto (under the column heading "Total DIP Term Loan Commitment") of a $28,000,000 superpriority senior secured debtor-in-possession term loan credit facility (the "DIP Term Loan Facility") to Hollander Sleep Products, LLC (the "Borrower"), and Barings Finance LLC hereby agrees to act as administrative agent for the DIP Term Loan Facility (the "DIP Term Loan Agent"), in connection with the Borrower's and certain of its subsidiaries' filing of petitions for relief (collectively, the "Bankruptcy Cases") under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101, et seq (the "Bankruptcy Code").

The DIP Commitment Parties' commitments to fund the initial loans under the DIP Term Facility are subject to (i) the execution of DIP Term Loan Facility definitive documentation on substantially the terms set forth in the attached forms of (a) Debtor-in-Possession Term Loan Credit Agreement (the "Form DIP Credit Agreement"), (b) the Exhibits to the Form DIP Credit Agreement, (c) the Guaranty and Security Agreement, and (d) the Amended and Restated Intercreditor Agreement, attached collectively as Exhibit A (collectively, the "Form DIP Credit Documents," and, together with this letter, the "DIP Commitment Letter"), and otherwise in form and substance reasonably satisfactory to the DIP Commitment Parties and the DIP Term Loan Agent (collectively, the "DIP Documents"); (ii) satisfaction of all conditions precedent set forth in Sections 3.1 and 3.3 of the Form DIP Credit Agreement; and (iii) payment of all fees and expenses required hereunder and under the DIP Fee Letter (as hereinafter defined). Capitalized terms used herein without definition have the meanings assigned to such terms in the Form DIP Credit Agreement.

Evaluation Material.

You hereby represent, warrant and covenant that (a) all written information (other than the projections, budgets, financial estimates, forecasts and other forward-looking information with respect to you and your affiliates (collectively, the "Projections") and general economic or specific industry information) (the "Information") that has been or will be made available to the

DIP Commitment Parties and/or the DIP Term Loan Lenders by you or any of your affiliates or representatives, when taken as a whole, is or will be, when furnished, correct in all material respects and does not or will not, when furnished, contain any untrue statement of fact or omit to state a fact necessary in order to make the statements contained therein not materially misleading in light of the circumstances under which such statements are made (after giving effect to all supplements from time to time) and (b) the Projections that have been or will be made available to the DIP Commitment Parties by you or any of your affiliates or representatives have been or will be prepared in good faith based upon assumptions believed to be reasonable at the time made (it being understood and agreed that financial projections are not a guarantee of financial performance and actual results may differ from financial projections and such differences may be material). You agree that if at any time prior to the closing of the DIP Term Loan Facility you become aware that any of the representations in the preceding sentence would be, to your knowledge, incorrect in any material respect if the Information and Projections were being furnished, and such representations were being made, at such time, then you will use commercially reasonable efforts to supplement the Information and the Projections from time to time until the closing of the DIP Term Loan Facility so that the representations, warranties and covenants in the foregoing sentences will be correct in all material respects under those circumstances, it being understood that any such supplement shall cure any breach of such representation. You understand that in making its commitment hereunder, each DIP Commitment Party may use and rely on the Information and Projections without independent verification thereof.

You hereby authorize and agree, on behalf of yourself and your affiliates, that the Information, the Projections and all other information (including third party reports) provided by or on behalf of you and your affiliates and representatives to the DIP Commitment Parties regarding you and your affiliates, in connection with the DIP Term Loan Facility and the transactions contemplated hereby, may be disseminated by or on behalf of the DIP Commitment Parties, and made available, to prospective DIP Term Loan Lenders and their advisors identified to you, who have each agreed to be bound by customary confidentiality undertakings (including "click-through" agreements) (whether transmitted electronically by means of a website, e-mail or otherwise, or made available orally or in writing, including at prospective DIP Term Loan Lender or other meetings). You hereby further authorize the DIP Commitment Parties to download copies of your logos and agree to use commercially reasonable efforts to obtain authorization to permit the DIP Commitment Parties to download copies of your logos, from your websites and post copies thereof on an IntraLinks® or similar workspace and use such logos on any materials prepared in connection with the DIP Term Loan Facility.

Expenses.

Regardless of whether the DIP Term Loan Facility closes, you hereby agree to pay or reimburse the DIP Commitment Parties and the DIP Term Loan Agent, as applicable, for all reasonable and documented out-of-pocket expenses incurred by the DIP Commitment Parties, funds managed or sub-managed by the DIP Commitment Parties, and the DIP Term Loan Agent or their affiliates (whether incurred before or after the date hereof) in connection with the DIP Term Loan Facility (including, but not limited to, (a) all reasonable costs and out-of-pocket expenses of one primary legal counsel and, if necessary, one local counsel in all appropriate jurisdictions for all DIP Commitment Parties and the DIP Term Loan Agent), and (b) all reasonable and documented costs and out-of-pocket expenses of one financial advisor (if any) for all DIP Commitment Parties and the DIP Term Loan Agent.

Confidentiality.

You agree that you will not disclose, directly or indirectly, this DIP Commitment Letter and the contents hereof or the DIP Fee Letter dated as of the date hereof (the "DIP Fee Letter") among the DIP Commitment Parties and the Borrower and the contents thereof or the DIP Commitment Parties' involvement with the DIP Term Loan Facility to any third party (including, without limitation, any financial institution or intermediary) without each DIP Commitment Party's prior written consent, other than to (a) those individuals who are your directors, officers, employees, attorneys, agents or advisors in connection with the DIP Term Loan Facility; provided that this DIP Commitment Letter may be disclosed to (i) Sentinel Capital Partners, L.L.C. and its affiliates, and its directors, officers, employees, attorneys, agents and advisors, and (ii) to the providers of the ABL DIP Facility described in the Form DIP Credit Agreement and their officers, employees, attorneys, agents and advisors, in each case on a confidential basis (it being understood any such disclosure pursuant to this clause (a)(ii) shall be limited to a general description of the fees to be paid and does not authorize the distribution of the DIP Fee Letter to such persons), (b) the Bankruptcy Court for approval of this DIP Commitment Letter and the DIP Term Loan Facility, (c) any official committee appointed in the Bankruptcy Cases and their respective legal and financial advisers, (d) as may be compelled in a judicial or administrative proceeding or as otherwise required by law (in which case you agree to inform the DIP Commitment Parties promptly thereof), (e) to the extent necessary in connection with the exercise of any remedies or enforcement of any rights hereunder and (f) other recipients as required by the Bankruptcy Court, or as part of the Borrower and its subsidiaries' disclosure statement soliciting votes in support of a plan of reorganization, whether before or after the commencement of the Bankruptcy Cases (it being understood any such disclosure pursuant to this clause (f) shall be limited to a general description of the fees to be paid in the Borrower's solicitation materials and does not authorize the distribution, filing with the Bankruptcy Court, or other action that results in the DIP Fee Letter being made available to such other recipients). Except in connection with the disclosure statement soliciting votes in support of a plan of reorganization, you agree to inform all such persons who receive information concerning this DIP Commitment Letter or the DIP Fee Letter that such information is confidential and may not be used for any other purpose. The DIP Commitment Parties reserve the right to review and approve, in advance, all materials, press releases, advertisements and disclosures that contain their name or any name of any affiliate or the name of any account managed or sub-managed by, or any related fund of, the DIP Commitment Parties or describe their respective financing commitment (such approval not to be unreasonably withheld, delayed or conditioned).

The Borrower hereby agrees that if the DIP Fee Letter is required to be filed with any bankruptcy court or disclosed to any U.S. Trustee for purposes of obtaining approval to pay any fees provided for therein or otherwise, then it shall promptly notify the DIP Commitment Parties and take all commercially reasonable actions necessary to prevent the DIP Fee Letter from becoming publicly available, including, without limitation, filing a motion pursuant to sections 105(a) and 107(b) of the Bankruptcy Code and Rule 9018 of the Federal Rules of Bankruptcy Procedure seeking a bankruptcy court order authorizing the Borrower to file the DIP Fee Letter under seal to the maximum extent permitted by applicable law; provided, however, that if the applicable bankruptcy court or applicable law does not permit such filing under seal, then any such filing shall be redacted to the maximum extent permitted by such bankruptcy court and such law. Notwithstanding the "Survival" section herein, the obligations of the foregoing sentence shall survive any termination or completion of the arrangement provided by this DIP Commitment Letter.

Each DIP Commitment Party and the DIP Term Loan Agent agrees it shall use all nonpublic information received by it in connection with the DIP Term Loan Facility solely for the purposes

of providing the commitments subject of this DIP Commitment Letter and shall treat confidentially all such information; provided, however, that nothing herein shall prevent any DIP Commitment Party or the DIP Term Loan Agent from disclosing any such information (a) to any DIP Term Loan Lenders or participants or prospective DIP Term Loan Lenders or participants, in each case identified to you, (b) as may be compelled in a judicial or administrative proceeding or as otherwise required by law (in which case we agree to inform you promptly thereof), (c) upon the request or demand of any regulatory authority having jurisdiction over the DIP Commitment Parties and the DIP Term Loan Agent, (d) to the employees, legal counsel, independent auditors, professionals and other experts or agents of such party (collectively, "Representatives") who are informed of the confidential nature of such information and are or have been advised of their obligation to keep information of this type confidential, (e) to any of its respective affiliates (provided that any such affiliate is advised of its obligation to retain such information as confidential, and each DIP Commitment Party and DIP Term Loan Agent shall be responsible for its affiliates' compliance with this paragraph) solely in connection with the DIP Term Loan Facility, and (f) to the extent any such information becomes publicly available other than by reason of disclosure by any DIP Commitment Party, the DIP Term Loan Agent, any of their affiliates or Representatives in breach of this DIP Commitment Letter.

Indemnity.

Regardless of whether the DIP Term Loan Facility is closed, you agree to (a) indemnify, defend and hold each of the DIP Commitment Parties, the DIP Term Loan Agent, each DIP Term Loan Lender, and the respective affiliates and funds managed or advised by the DIP Commitment Parties and DIP Term Loan Lenders, and the principals, directors, officers, employees, representatives, agents, attorneys and third party advisors of each of them (each, an "Indemnified Person"), harmless from and against all losses, disputes, claims, investigations, litigation, proceedings, expenses (including, but not limited to, attorneys' fees), damages, and liabilities of any kind to which any Indemnified Person may become subject arising out of or in connection with any claim, litigation, investigation or proceeding (any of the foregoing, a "Proceeding") relating to or in connection with this DIP Commitment Letter, the DIP Fee Letter, the DIP Term Loan Facility, the use or the proposed use of the proceeds thereof, or any other transaction contemplated by this DIP Commitment Letter (each, a "Claim", and collectively, the "Claims"), regardless of whether such Indemnified Person is a party thereto (and regardless of whether such matter is initiated by a third party, you, or any of your or its respective affiliates), and (b) reimburse each Indemnified Person upon demand (together with reasonably detailed backup documentation in summary form supporting such demand) for all reasonable and documented legal and other out-of-pocket expenses incurred in connection with investigating, preparing to defend or defending, or providing evidence in or preparing to serve or serving as a witness with respect to, any Proceeding (each, an "Expense") by one counsel to the Indemnified Persons taken as a whole and, if necessary, one firm of local counsel in each appropriate jurisdiction to the Indemnified Persons taken as a whole, and, in the case of an actual conflict of interest, one additional counsel to the affected Indemnified Persons taken as a whole; provided that no Indemnified Person shall be entitled to indemnity hereunder in respect of any Claim or Expense to the extent that the same (i) is found by a final, non-appealable judgment of a court of competent jurisdiction to have resulted from the gross negligence, willful misconduct or bad faith of such Indemnified Person or any of its affiliates and their principals, directors, officers, employees, representatives, agents, attorneys or third party advisors, (ii) is found by a final, non-appealable judgment of a court of competent jurisdiction to have resulted from a material breach of the obligations of such Indemnified Person or any of its affiliates and their principals, directors, officers, employees, representatives, agents, attorneys or third party advisors under this DIP Commitment Letter or (iii) arises from any dispute among Indemnified Persons that does not

involve or relate to an act or omission by you and that is brought by an Indemnified Person against another Indemnified Person (other than any claims against the DIP Term Loan Agent in its capacity or in fulfilling its role as an agent under the DIP Term Loan Facility). Notwithstanding any other provision of this DIP Commitment Letter, and without limitation of your indemnification and reimbursement obligations set forth herein, no party hereto shall be liable for any special, indirect, consequential or punitive damages in connection with the DIP Term Loan Facilities, this DIP Commitment Letter, the DIP Fee Letter or any other transaction contemplated hereby or thereby; provided that this foregoing sentence shall not limit your indemnity obligations to the extent set forth above in respect of any actual Claims and Expenses incurred or paid by an Indemnified Person to a third party unaffiliated with the DIP Commitment Parties that are otherwise required to be indemnified in accordance with the terms hereof.

Furthermore, you hereby acknowledge and agree that the use of electronic transmission is not necessarily secure and that there are risks associated with such use, including risks of interception, disclosure and abuse. You agree to assume and accept such risks and hereby authorize the use of transmission of electronic transmissions, and that none of the DIP Commitment Parties nor any of their respective affiliates will have any liability for any damages arising from the use of such electronic transmission systems, except to the extent such damages have been found by a final, non-appealable judgment of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of such DIP Commitment Party or any of its affiliates and their principals, directors, officers, employees, representatives, agents, attorneys or third party advisors.

Notwithstanding the above, (a) you shall not be liable for any settlement of any Proceedings effected without your consent (which consent shall not be unreasonably conditioned, withheld or delayed), but if settled with your written consent or if there is a judgment for the plaintiff against any Indemnified Person in any such Proceedings, you agree to indemnify and hold harmless each Indemnified Person from and against any and all Claims and Expenses by reason of such settlement or judgment in accordance with this section and (b) each Indemnified Person shall be obligated to refund or return any and all amounts paid by you under the preceding paragraph to such Indemnified Person for any losses, claims, damages liabilities or expenses to the extent such Indemnified Person is not entitled to payment of such amounts in accordance with the terms hereof. You shall not, without the prior written consent of an Indemnified Person (which consent shall not be unreasonably conditioned, withheld or delayed), effect any settlement or consent to the entry of any judgment of any pending or threatened Proceedings in respect of which indemnity could have been sought hereunder by such Indemnified Person unless such settlement (i) includes an unconditional release of such Indemnified Person from all liability or claims that are the subject matter of such Proceedings, (ii) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnified Person and (iii) contains customary confidentiality and nondisparagement provisions.

In the event that an Indemnified Person is requested or required to appear as a witness in any action brought by or on behalf of or against you or any of your subsidiaries or affiliates in which such Indemnified Person is not named as a defendant, or a demand to produce documents or otherwise respond to discovery requests is made on an Indemnified Person, you agree to reimburse such Indemnified Person for all reasonable expenses incurred by it in connection with such Indemnified Person's appearing and preparing to appear as such a witness, including, without limitation, the reasonable fees and expenses of its legal counsel.

Sharing Information; Absence of Fiduciary Relationship.

You acknowledge that the DIP Commitment Parties, the DIP Term Loan Agent and their respective affiliates may be providing debt financing, equity capital or other services to other companies with which you may have conflicting interests. Neither the DIP Commitment Parties nor any of their affiliates will use confidential information obtained from you by virtue of the transactions contemplated by this DIP Commitment Letter or its other relationships with you in connection with the performance by it of services for other persons, and neither the DIP Commitment Parties nor any of their affiliates will furnish any such information to other persons except as permitted under the "Confidentiality" section herein. You further acknowledge and agree that (a) no fiduciary, advisory or agency relationship between you and any of the DIP Commitment Parties or the DIP Term Loan Agent has been or will be created in respect of any of the transactions contemplated by this DIP Commitment Letter, irrespective of whether the DIP Commitment Parties, the DIP Term Loan Agent and/or their respective affiliates have advised or are advising you on other matters and (b) you will not assert any claim against any of the DIP Commitment Parties or the DIP Term Loan Agent for breach or alleged breach of fiduciary duty in respect of any of the transactions contemplated by this DIP Commitment Letter and agree that none of the DIP Commitment Parties or the DIP Term Loan Agent shall have any direct or indirect liability to you in respect of such a fiduciary duty claim or to any person asserting a fiduciary duty claim on behalf of or in right of you, including your stockholders, employees or creditors.

Assignments and Amendments.

This DIP Commitment Letter shall not be assignable by you without the prior written consent of each of the DIP Commitment Parties (and any purported assignment without such consent shall be null and void), and is solely for the benefit of the parties hereto and is not intended to confer any benefits upon, or create any rights in favor of, any person other than the parties hereto and the Indemnified Persons. The DIP Commitment Parties may assign their respective commitments hereunder, in whole or in part, (i) to any of their affiliates, any funds or accounts managed, advised, sub-managed or sub-advised by them or their affiliates, or (ii) subject to the prior written consent of the Borrower (such consent not to be unreasonably withheld or delayed) to any prospective DIP Term Loan Lender; provided that, (unless such assignee enters into a separate letter agreement with you affirming its commitment on the same terms as set forth herein with respect to such assigned portion of the commitments (such agreement not to be unreasonably conditioned, withheld or delayed by you)) any such assignment shall not release them of the obligations hereunder and each DIP Commitment Party shall retain exclusive control over all rights and obligations with respect to its commitments hereunder, including all rights with respect to consents, modifications, supplements, waivers and amendments, until after the closing and initial funding of the DIP Term Loan Facility has occurred. This DIP Commitment Letter may not be amended or waived except in a written instrument signed by you, the DIP Commitment Parties and the DIP Term Loan Agent.

Counterparts and Governing Law.

This DIP Commitment Letter may be executed in counterparts, each of which shall be deemed an original and all of which counterparts shall constitute one and the same document. Delivery of an executed signature page of this DIP Commitment Letter by facsimile or electronic (including "PDF") transmission shall be effective as delivery of a manually executed counterpart hereof.

The laws of the State of New York shall govern all matters arising out of, in connection with or relating to this DIP Commitment Letter, including, without limitation, its validity, interpretation,

construction, performance and enforcement and any claims sounding in contract law or tort law arising out of the subject matter hereof.

Venue and Submission to Jurisdiction.

The parties hereto consent and agree that the federal bankruptcy court located in the Southern District of New York, shall have exclusive jurisdiction to hear and determine any claims or disputes between or among any of the parties hereto pertaining to this DIP Commitment Letter, the DIP Fee Letter, the DIP Term Loan Facility, any other transaction relating hereto or thereto, and any investigation, litigation, or proceeding in connection with, related to or arising out of any such matters or, if that court does not have subject matter jurisdiction, then the U.S. District Court for the Southern District of New York shall have such exclusive jurisdiction or, if that court does not have subject matter jurisdiction, then any state court located in New York County, State of New York shall have such exclusive jurisdiction; provided, that the parties hereto acknowledge that any appeal from those courts may have to be heard by a court located outside of such jurisdiction. The parties hereto expressly submit and consent in advance to such jurisdiction in any action or suit commenced in any such court, and hereby waive any objection, which each of the parties may have based upon lack of personal jurisdiction, improper venue or inconvenient forum.

Waiver of Jury Trial.

THE PARTIES HERETO, TO THE EXTENT PERMITTED BY LAW, WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT, OR PROCEEDING ARISING OUT OF, IN CONNECTION WITH OR RELATING TO, THIS DIP COMMITMENT LETTER, THE DIP FEE LETTER, THE DIP TERM LOAN FACILITY, AND ANY OTHER TRANSACTION RELATED HERETO OR THERETO. THIS WAIVER APPLIES TO ANY ACTION, SUIT OR PROCEEDING WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE.

Survival.

The provisions of this letter set forth under this heading and the headings "Expenses", "Confidentiality", "Indemnity", "Sharing Information; Absence of Fiduciary Relationship", "Assignments and Amendments", "Counterparts and Governing Law", "Venue and Submission to Jurisdiction" and "Waiver of Jury Trial" shall survive the termination or expiration of this DIP Commitment Letter and shall remain in full force and effect regardless of whether the DIP Term Loan Facility is closed or the credit documentation with respect to the DIP Term Loan Facility shall be executed and delivered; provided that if the DIP Term Loan Facility is closed and the credit documentation with respect to the DIP Term Loan Facility shall be executed and delivered, the provisions under the heading "Expenses", "Confidentiality", "Indemnity", and "Sharing Information; Absence of Fiduciary Relationship" shall be superseded and deemed replaced by the terms of the credit documentation with respect to the DIP Term Loan Facility governing such matters.

Integration.

This DIP Commitment Letter and the DIP Fee Letter supersede any and all discussions, negotiations, understandings or agreements, written or oral, express or implied, between or among the parties hereto and their affiliates as to the subject matter hereof.

Patriot Act.

The DIP Commitment Parties hereby notify you that pursuant to the requirements of the USA PATRIOT Act, Title III of Pub. L. 107-56 (signed into law October 26, 2001) (the "PATRIOT Act"), each DIP Term Loan Lender may be required to obtain, verify and record information that identifies the Borrower and each Guarantor, which information includes the name, address, tax identification number and other information regarding the Borrower and each Guarantor that will allow such DIP Term Loan Lender to identify the Borrower and each Guarantor in accordance with the PATRIOT Act. This notice is given in accordance with the requirements of the PATRIOT Act and is effective as to each DIP Term Loan Lender.

Please indicate your acceptance of the terms hereof by signing in the appropriate space below. Unless extended in writing by the DIP Commitment Parties, the commitments and agreements of the DIP Commitment Parties contained herein (subject to the provisions under the heading "Survival") shall automatically expire on the first to occur of (a) 11:59 p.m. New York time on the later of (x) May 24, 2019 and (y) if the Bankruptcy Cases have commenced prior to such date, the date that is 4 calendar days after the first day hearing in the Bankruptcy Cases, and (b) execution and delivery of the credit documentation with respect to the DIP Term Loan Facility and funding of the DIP Term Loan Facility.

Very truly yours,

BARINGS FINANCE LLC
By: Barings LLC, as Investment Manager

[redacted]

By:_____
Name: [redacted]
itle: [redacted]

ALLSTATE INSURANCE COMPANY

By:
Nam
Title

By:
Nam
Title

ALLSTATE LIFE INSURANCE COMPANY

By
Na
Title

By:
Nam
Title

FIRST EAGLE DARTMOUTH HOLDING LLC

By: First Eagle Private Credit, LLC, its Manager

By: [redacted]
Name:
Title:

GSO DIAMOND PORTFOLIO BORROWER LLC

By: GSO Diamond Portfolio Holdco LLC, its managing member
By: GSO Diamond Portfolio Fund LP, its managing member
By: GSO Diamond Portfolio Associates LLC, its general partner

By:_____
Name:
Title:

DIAMOND CLO 2018-1 LTD

By: GSO Capital Partners LP, as Collateral Manager

By:_____
Name:
Title:

PENNANTPARK INVESTMENT CORPORATION

By: [redacted]
Name:
Title:

PENNANTPARK FLOATING RATE FUNDING I, LLC

By: [redacted]
Name:
Title:

PENNANTPARK CREDIT OPPORTUNITIES FUND II, LP

By: [redacted]
Name:
Title:

Accepted and agreed to as of
the date first written above:

HOLLANDER SLEEP PRODUCTS, LLC

By:_____
Name: Marc L. Pfefferle
Title: Chief Executive Officer

Schedule I

DIP Term Loan Lender	Total DIP Term Loan Commitment
Allstate Insurance Company	[redacted]
Barings Finance LLC	[redacted]
GSO Capital Partners	[redacted]
First Eagle Investment Management	[redacted]
PennantPark Investment Corporation	[redacted]
TOTAL	**$28,000,000.00**

EXHIBIT A

[Form DIP Documents]

DEBTOR-IN-POSSESSION

TERM LOAN CREDIT AGREEMENT

dated as of May __, 2019

by and among

DREAM II HOLDINGS, LLC
and
HOLLANDER HOME FASHIONS HOLDINGS, LLC,
as Parent Guarantors,

HOLLANDER SLEEP PRODUCTS, LLC,
as Borrower

THE LENDERS THAT ARE PARTIES HERETO,
as the Lenders, and

BARINGS FINANCE LLC,
as Administrative Agent

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EXHIBITS AND SCHEDULES

DEBTOR-IN-POSSESSION TERM LOAN CREDIT AGREEMENT

THIS DEBTOR-IN-POSSESSION TERM LOAN CREDIT AGREEMENT (this "Agreement"), is entered into as of May [__], 2019, by and among the lenders identified on the signature pages hereof (each of such lenders, together with its successors and permitted assigns, is referred to hereinafter as a "Lender", as that term is hereinafter further defined), **BARINGS FINANCE LLC**, as administrative agent for each member of the Lender Group (in such capacity, together with its successors and assigns in such capacity, "Agent"), **DREAM II HOLDINGS, LLC**, a Delaware limited liability company ("Parent"), **HOLLANDER HOME FASHIONS HOLDINGS, LLC**, a Delaware limited liability company ("HHFH" or "Holdings" and together with Parent, the "Parent Guarantors") and **HOLLANDER SLEEP PRODUCTS, LLC**, a Delaware limited liability company ("HSP" or the "Borrower").

WHEREAS, on May [__], 2019 (the "Petition Date"), the Borrower and the Guarantors commenced Chapter 11 case numbers [__] through [__], as jointly administered for procedural purposes at Chapter 11 case number [__] (each a "Chapter 11 Case" and collectively, the "Chapter 11 Cases") by filing with the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code").

WHEREAS, each of the Loan Parties is continuing in the possession of its assets and in the management of its business as a debtor-in-possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code.

WHEREAS, the Borrower has requested the Lenders to extend credit to the Borrower in form of term loans consisting of a superpriority debtor-in-possession secured credit facility in an aggregate principal amount not to exceed $28,000,000 (the "DIP Facility") subject to this Agreement and, when entered, the Interim DIP Order, and the Final DIP Order, as applicable, which will be used in accordance with the Approved Budget and the terms of this Agreement.

WHEREAS, the Borrower has requested the ABL DIP Lenders to extend credit to the Borrower in the form of revolving credit commitments in an aggregate of $90,000,000 (the "ABL DIP Facility") pursuant to the terms of that certain ABL DIP Facility Agreement.

WHEREAS, to provide security for the repayment of the loans made available pursuant hereto and payment of the other obligations of the Borrower hereunder, the Borrower has agreed to provide the Agent and the Lenders, in each case subject to the Carve-Out, with DIP Liens on the DIP Collateral; and

WHEREAS, the Lenders are willing to make the requested DIP Facility available to the Borrower on the terms and conditions set forth in this Agreement and the Interim DIP Order and the Final DIP Order, as applicable:

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained herein, the parties hereto agree as follows:

1. DEFINITIONS AND CONSTRUCTION.

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

1.2 **Accounting Terms**. All accounting terms not specifically defined herein shall be construed in accordance with GAAP; provided, that if Borrower notifies Agent that Borrower requests an amendment to any provision hereof to eliminate the effect of any Accounting Change occurring after the Effective Date or in the application thereof on the operation of such provision (or if Agent notifies Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such Accounting Change or in the application thereof, then Agent and Borrower agree that they will negotiate in good faith amendments to the provisions of this Agreement that are directly affected by such Accounting Change with the intent of having the respective positions of the Lenders and Borrower after such Accounting Change conform as nearly as possible to their respective positions before such Accounting Change and, until any such amendments have been agreed upon and agreed to by the Required Lenders, the provisions in this Agreement shall be calculated as if no such Accounting Change had occurred; provided, further, that notwithstanding any Accounting Change after the Effective Date that would require lease obligations that would be treated as operating leases as of the Effective Date to be classified and accounted for as capital leases or otherwise reflected on Parent and its Subsidiaries' consolidated balance sheet, for the purposes of determining compliance with any covenant contained herein, such obligations shall be treated in the same manner as operating leases are treated as of the Effective Date. When used herein, the term "financial statements" shall include the notes and schedules thereto. Whenever the term "Parent" is used in respect of a financial covenant or a related definition, it shall be understood to mean Parent and its Subsidiaries on a consolidated basis, unless the context clearly requires otherwise. Notwithstanding anything to the contrary contained herein, all financial statements delivered hereunder shall be prepared, and all financial covenants contained herein shall be calculated, without giving effect to any election under the Statement of Financial Accounting Standards No. 159 (or any similar accounting principle) permitting a Person to value its financial liabilities or Indebtedness at the fair value thereof.

1.3 **Code**. Any terms used in this Agreement that are defined in the Code shall be construed and defined as set forth in the Code unless otherwise defined herein; provided, however, that to the extent that the Code is used to define any term herein and such term is defined differently in different Articles of the Code, the definition of such term contained in Article 9 of the Code shall govern.

1.4 **Construction**. Unless the context of this Agreement or any other Loan Document clearly requires otherwise, references to the plural include the singular, references to the singular include the plural, the terms "includes" and "including" are not limiting, and the term "or" has, except where otherwise indicated, the inclusive meaning represented by the phrase "and/or." The words "hereof," "herein," "hereby," "hereunder," and similar terms in this Agreement or any other DIP Loan Document refer to this Agreement or such other DIP Loan Document, as the case may be, as a whole and not to any particular provision of this Agreement or such other DIP Loan Document, as the case may be. Unless the context of this Agreement or any other DIP Loan Document clearly requires otherwise, references to "law" means all international, foreign, federal, state, provincial and local statutes, treaties, rules, guidelines, regulations, by-laws, ordinances, decrees, codes and administrative or judicial or arbitral or

administrative or ministerial or departmental or regulatory precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case, whether or not having the force of law. Section, subsection, clause, schedule, and exhibit references herein are to this Agreement unless otherwise specified. Any reference in this Agreement or in any other DIP Loan Document to any agreement, instrument, or document shall include all alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements, thereto and thereof, as applicable (subject to any restrictions on such alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements set forth herein). The words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties. Any reference herein or in any other DIP Loan Document to the satisfaction, repayment, or payment in full of the DIP Facility Obligations shall mean (a) the payment or repayment in full in immediately available funds in Dollars of (i) the principal amount of, and interest accrued and unpaid with respect to, all outstanding DIP Loans, (ii) all Lender Group Expenses that have accrued and are unpaid regardless of whether demand has been made therefor, (iii) all fees or charges that have accrued hereunder or under any other DIP Loan Document and are unpaid, (b) the receipt by Agent of cash collateral in Dollars in order to secure any other contingent DIP Facility Obligations for which a claim or demand for payment has been made on or prior to such time or in respect of matters or circumstances known to Agent or a Lender at such time that are reasonably expected to result in any loss, cost, damage, or expense (including attorneys' fees and legal expenses), such cash collateral to be in such amount as Agent reasonably determines is appropriate to secure such contingent DIP Facility Obligations, (c) the payment or repayment in full in immediately available funds in Dollars of all other outstanding DIP Facility Obligations other than in each case of clauses (a) to (c) hereof, Unasserted Contingent Indemnification Obligations, and (d) the termination of all of the DIP Loan Commitments of the Lenders. Any reference herein to any Person shall be construed to include such Person's permitted successors and assigns. Any requirement of a writing contained herein or in any other DIP Loan Document shall be satisfied by the transmission of a Record.

1.5 **Time References**. Unless the context of this Agreement or any other DIP Loan Document clearly requires otherwise, all references to time of day refer to Eastern Standard Time or Eastern daylight saving time, as in effect in New York City, New York on such day. For purposes of the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to and including"; provided that, with respect to a computation of fees or interest payable to Agent or any Lender, such period shall in any event consist of at least one full day.

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

1.7 **Divisions**. For all purposes under the DIP Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred

from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its Equity Interests at such time.

2. DIP LOANS AND TERMS OF PAYMENT.

2.1 **DIP Loans**.

(a) On the Effective Date, each Lender, subject to, and in accordance with, this Agreement, agrees to severally, and not jointly or jointly and severally, make an Interim DIP Loan to and for the account of the Borrower as provided herein, in the amount of such Lender's Interim DIP Loan Commitment (subject to any limitations contained within the Interim DIP Order or the Final DIP Order, as applicable). The Interim DIP Loans shall be made in one draw on the Effective Date, and the Interim DIP Loan Commitments shall be immediately terminated after the funding of the Interim DIP Loans. Once repaid, no part of the Interim DIP Loans may be reborrowed.

(b) On the Final Order Effective Date, each Lender, subject to, and in accordance with, this Agreement, agrees to severally, and not jointly or jointly and severally, make a Final DIP Loan to and for the account of the Borrower as provided herein, in the amount of such Lender's Final DIP Loan Commitment (subject to any limitations contained within the Interim DIP Order or the Final DIP Order, as applicable). The Final DIP Loans shall be made in one draw on the Final Order Effective Date, and the Final DIP Loan Commitments shall be immediately terminated after the funding of the Final DIP Loans. Once repaid, no part of the Final DIP Loans may be reborrowed.

(c) On the date that is the first Business Day of the last week of the Life of the Case (such earlier date, the "Budget Advance Date"), each Lender, subject to, and in accordance with, this Agreement, agrees to severally, and not jointly or jointly and severally, make a Budget Advance Date DIP Loan to and for the account of the Borrower as provided herein, in the amount of such Lender's Budget Advance Date Commitment (subject to any limitations contained within the DIP Orders). The Budget Advance Date DIP Loans shall be made in one draw on the Budget Advance Date, and the Budget Advance Date Commitments shall be immediately terminated after the funding of the Budget Advance Date Loans. Once repaid, no part of the Budget Advance Date DIP Loans may be reborrowed.

2.2 **[Intentionally Omitted].**

2.3 **Borrowing Procedures.**

(a) **Procedure for Borrowing DIP Loans**. Borrower shall deliver to Agent a notice of borrowing, in substantially the form set forth on Exhibit 2.3(a), not later than 12:00 p.m. one Business Day (or such shorter period as Agent may agree in its reasonable discretion) before (i) the anticipated Effective Date, requesting that the Lenders make the Interim DIP Loans on the Effective Date, (ii) the anticipated Final Order Effective Date, requesting that the Lenders make the Final DIP Loans on the Final Order Effective Date, and (iii) the anticipated Budget Advance Date, requesting that the Lenders make the Budget Advance Date DIP Loans on the Budget Advance Date. The notice of borrowing shall be irrevocable and shall specify (i) the

principal amount of the DIP Loans to be borrowed, (ii) the requested date of the borrowing (which shall be a Business Day), and (iii) the location and number of the accounts to which funds are to be disbursed. Requests for LIBOR Rate Loans will also be subject to Section 2.12.

(b) **Making of DIP Loans**. Upon receipt of such notice of borrowing, the Agent shall promptly notify each Lender thereof. Not later than 12:00 p.m. (or, if later, promptly following the satisfaction of the conditions precedent to the initial extension of credit hereunder set forth in Section 3), on (i) the Effective Date, each Lender shall make available to Borrower an amount (through the Agent) in immediately available funds equal to such Lender's Pro Rata Share of the requested Interim DIP Loans, (ii) the Final Order Effective Date, each Lender shall make available to Borrower an amount (through the Agent) in immediately available funds equal to such Lender's Pro Rata Share of the requested Final DIP Loans, and (iii) the Budget Advance Date, each Lender shall make available to Borrower an amount (through the Agent) in immediately available funds equal to such Lender's Pro Rata Share of the requested Budget Advance Date DIP Loans.

(c) **Independent Obligations**. All DIP Loans shall be made by the Lenders contemporaneously and in accordance with their Pro Rata Shares. It is understood that (i) no Lender shall be responsible for any failure by any other Lender to perform its obligation to make any DIP Loan hereunder, nor shall any DIP Loan Commitment of any Lender be increased or decreased as a result of any failure by any other Lender to perform its obligations hereunder, and (ii) no failure by any Lender to perform its obligations hereunder shall excuse any other Lender from its obligations hereunder.

(d) **Defaulting Lenders**. Notwithstanding anything to the contrary contained in this Agreement (including Section 2.4(b)(ii)), if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by applicable law, any payment of principal, interest, fees or other amounts received by Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Section 8 or otherwise) or received by Agent from a Defaulting Lender pursuant to any right of setoff shall be applied at such time or times as may be determined by Agent as follows: first, to the payment of any amounts owing by such Defaulting Lender to Agent hereunder; second, if Borrower requests (so long as no Default or Event of Default exists), to the funding of any DIP Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by Agent; third, if so determined by Agent and Borrower, to be held in a deposit account and released pro rata in order to satisfy such Defaulting Lender's potential future funding obligations with respect to DIP Loans under this Agreement; fourth, to the payment of any amounts owing to the Lenders as a result of any judgment of a court of competent jurisdiction obtained by Agent or any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; fifth, so long as no Default or Event of Default exists, to the payment of any amounts owing to Borrower as a result of any judgment of a court of competent jurisdiction obtained by Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and sixth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any DIP Loans in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such DIP Loans were made at a time when the conditions set forth in Section 3.1

were satisfied or waived in accordance with this Agreement, such payment shall be applied solely to pay the DIP Loans of all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any DIP Loans of such Defaulting Lender until such time as all DIP Loans are funded by the Lenders pro rata in accordance with the DIP Loan Commitments under the applicable tranche of DIP Loans. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender pursuant to this Section 2.3(d) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

2.4 **Payments; Prepayments**.

(a) **Payments by Borrower**.

(i) Except as otherwise expressly provided herein, all payments by Borrower shall be made to Agent's Account for the account of the Lender Group and shall be made in immediately available funds in Dollars, no later than 2:00 p.m. on the date specified herein. Any payment received by Agent later than 2:00 p.m. shall be deemed to have been received (unless Agent, in its sole discretion, elects to credit it on the date received) on the following Business Day and any applicable interest or fee shall continue to accrue until such following Business Day.

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

(b) **Apportionment and Application**.

(i) So long as no Application Event has occurred and is continuing, and except as otherwise provided herein with respect to Defaulting Lenders, all principal and interest payments received by Agent shall be apportioned ratably among the Lenders (according to the unpaid principal balance of the DIP Facility Obligations to which such payments relate held by each Lender) and all payments of fees and expenses received by Agent (other than fees or expenses that are for Agent's separate account) shall be apportioned ratably among the Lenders having a Pro Rata Share of the outstanding DIP Loans to which a particular fee or expense relates. Subject to Section 2.4(b)(iv) and Section 2.4(e), all payments in respect of DIP Facility Obligations to be made hereunder by Borrower shall be remitted to Agent and all such payments, and all proceeds of DIP Collateral securing DIP Facility Obligations received by Agent, shall be applied, so long as no Application Event has occurred and is continuing and except as otherwise provided herein with respect to Defaulting Lenders, to reduce the balance of the DIP Loans outstanding and, thereafter, to Borrower (to be wired to any account or accounts

located in the United States specified by Borrower) or such other Person entitled thereto under applicable law.

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

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

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

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

(D) fourth, ratably, to pay any fees or premiums then due to any of the Lenders under the DIP Loan Documents in respect of the DIP Facility Obligations, until paid in full,

(E) fifth, ratably, to pay interest accrued in respect of the DIP Loans, until paid in full,

(F) sixth, ratably, to pay the principal of all DIP Loans, until paid in full,

(G) seventh, ratably to pay any other DIP Facility Obligations, and

(H) eighth, to Borrower (to be wired to any account or accounts in the United States specified by Borrower) or such other Person entitled thereto under applicable law.

(iii) Agent promptly shall distribute to each Lender, pursuant to the applicable wire instructions received from each Lender in writing, such funds as it may be entitled to receive.

(iv) In each instance, so long as no Application Event has occurred and is continuing, Section 2.4(b)(i) shall not apply to any payment made by Borrower to Agent and specified by Borrower to be for the payment of specific DIP Facility Obligations then due and payable (or prepayable) under any provision of this Agreement or any other DIP Loan Document.

(v) For purposes of Section 2.4(b)(ii), "paid in full" of a type of DIP Facility Obligation means payment in Dollars in cash or immediately available funds of all amounts owing on account of such type of DIP Facility Obligation.

(vi) In the event of a direct conflict between the priority provisions of this Section 2.4 and any other provision contained in this Agreement or any other DIP Loan Document (excluding the Intercreditor Agreement, which shall control and govern in any event), it is the intention of the parties hereto that such provisions be read together and construed, to the fullest extent possible, to be in concert with each other. In the event of any actual, irreconcilable conflict that cannot be resolved as aforesaid, if the conflict relates to the provisions of this Section 2.4, then the terms and provisions of this Section 2.4 shall control and govern.

(c) **Optional Prepayments**. Borrower may prepay the principal of the DIP Loans at any time in whole or in part upon written notice, subject to the payment of any fees, premiums or other amounts owed under the Fee Letter and subject to any Funding Losses pursuant to Section 2.12(b)(ii), to Agent prior to 1:00 P.M., New York City time three Business Days prior to the date of prepayment (in the case of LIBOR Rate Loans), or prior to 1:00 P.M., New York City time at least one Business Day prior to the date of prepayment (in the case of Base Rate Loans). Such notice shall specify, in the case of any prepayment of DIP Loans, the date and amount of prepayment and whether the prepayment is of LIBOR Rate Loans or Base Rate Loans or a combination thereof, and, in each case if a combination thereof, the principal amount allocable to each. Any such notice may state that such notice is conditioned upon the occurrence or non-occurrence of any event specified therein (including the effectiveness of other credit facilities), in which case such notice may be revoked by Borrower (by written notice to Agent on or prior to the specified effective date) if such condition is not satisfied. Upon the receipt of any such notice Agent shall promptly notify each affected Lender thereof. If any such notice is given and not revoked, the amount specified in such notice shall be due and payable on the date specified therein, together with (if a LIBOR Rate Loan is prepaid other than at the end of the Interest Period applicable thereto) any accrued and unpaid interest on the DIP Loans being repaid and amounts payable pursuant to Section 2.12(b)(ii). Any prepayment of LIBOR Rate Loans shall be in a principal amount of $500,000 or a whole multiple of $100,000 in excess thereof; and any prepayment of Base Rate Loans shall be in a principal amount of $500,000 or a whole multiple of $100,000 in excess thereof or, in each case, if less, the entire principal amount thereof then outstanding. Agent shall apply any such optional prepayment to the outstanding amount of DIP Loans.

(d) **Mandatory Prepayments**.

(i) **Repayment of DIP Loans**.

(A) Borrower hereby unconditionally promises to pay to Agent for the ratable account of each Lender the then unpaid principal amount of, and unpaid accrued interest on, each DIP Loan of such Lender made to Borrower, on the Maturity Date (or such earlier date on which the DIP Loans become due and payable pursuant to Section 9.1) in cash without further application to or order of the Bankruptcy

Court. Borrower hereby further agrees to pay interest in cash on the unpaid principal amount of such DIP Loans from time to time outstanding from the date hereof until payment in full thereof at the rates per annum, and on the dates, set forth herein.

(B) Notwithstanding the foregoing Section 2.4(d)(i)(A), in lieu of any applicable portion of the cash payments otherwise owed to the Lenders with respect to the DIP Loans, the Lenders may receive non-cash consideration in the form of senior secured debt and equity in the reorganized Loan Parties on the Plan Effective Date of a confirmed Plan if a Plan as contemplated by the RSA is confirmed.

(ii) **Dispositions; Indebtedness; Extraordinary Receipts**. Subject to any provisions of the Intercreditor Agreement to the contrary, (x) Borrower shall, in accordance with Section 2.4(e), prepay the DIP Loans to the extent required by Section 2.4(b)(iii), (y) if on or after the Effective Date, Borrower or any of its Subsidiaries shall Incur Indebtedness for borrowed money (excluding Indebtedness permitted pursuant to Section 6.1), Borrower shall, in accordance with Section 2.4(e), prepay the DIP Loans in an amount equal to 100% of the Net Cash Proceeds thereof with such prepayment to be made on or before the fifth Business Day following notice given to each Lender of the Prepayment Date, as contemplated by Section 2.4(f), and (z) promptly upon receipt by any Loan Party of cash proceeds from any Extraordinary Receipt, Borrower shall prepay the DIP Loans in an aggregate amount equal to 100% of the Net Cash Proceeds of such Extraordinary Receipt in accordance with Section 2.4(e). Any prepayment pursuant to this Section 2.4(d)(ii) shall be accompanied by any accrued and unpaid interest on the DIP Loans being repaid and amounts payable pursuant to Section 2.12.

(iii) **Asset Dispositions**. Subject to any provisions of the Intercreditor Agreement to the contrary, in the event that on or after the Effective Date the Borrower or any Loan Party shall make an asset disposition of DIP Collateral that is not permitted by Section 6.4, or a Recovery Event in respect of DIP Collateral shall occur, an amount equal to 100% of the Net Cash Proceeds from such asset disposition or Recovery Event shall be applied by the Borrower (or any Loan Party, as the case may be) as follows: (x) to the extent such asset disposition or Recovery Event is an asset disposition or Recovery Event of assets that constitute DIP Collateral (other than ABL Priority Collateral), to prepay the DIP Loans in accordance with Section 2.4(d)(ii)(x) and (y) to the extent such asset disposition is an asset disposition of ABL Priority Collateral or assets that do not constitute DIP Collateral, subject to the terms of the DIP Orders and the Intercreditor Agreement, to prepay the DIP Loans in accordance with Section 2.4(d)(ii)(x); provided, however, that, so long as no Default or Event of Default has occurred and is continuing, Net Cash Proceeds from insurance or condemnation proceeds shall not be required to be applied to prepay the DIP Loans to the extent Borrower delivers to Agent a certificate stating that the Loan Parties intend to use such Net Cash Proceeds to acquire capital assets useful to the business of the Loan Parties within thirty (30) days of the receipt of such Net Cash Proceeds, it being expressly agreed that any Net Cash Proceeds not so reinvested shall be applied to prepay the DIP Loans immediately thereafter. Notwithstanding the foregoing, with respect to any Foreign Asset Sale, Borrower may elect in a written notice to Agent delivered not later than

when Borrower delivers the notice to Agent pursuant to Section 2.4(f) to reduce the amount of such prepayment by the amount of any Restricted Asset Sale Proceeds included in such Net Cash Proceeds; provided, that (i) if the amount of Restricted Asset Sale Proceeds is at any time, and from time to time, reduced either as a result of (x) the circumstances described in clause (a) of the definition thereof ceasing to apply, or (y) the elimination of a prohibition or a change in a restriction described in clause (b) of the definition thereof, Borrower shall repatriate the amount by which the Restricted Asset Sale Proceeds are reduced within five Business Days and apply such amount in accordance with this Section 2.4(d)(iii), and (ii) Borrower shall, and shall cause the applicable Foreign Subsidiary to, use its commercially reasonable efforts (including by taking all commercially reasonable actions required by the applicable law, rule, regulation or contract to permit such repatriation) to repatriate any amounts constituting Restricted Asset Sale Proceeds pursuant solely to clause (b) of the definition thereof as promptly as practicable following the date of such prepayment.

(e) **Mandatory Prepayment Application**. Each prepayment of DIP Loans pursuant to Section 2.4(d) shall be allocated pro rata among the DIP Loans. Amounts prepaid on account of DIP Loans pursuant to Sections 2.4(c) or (d) may not be reborrowed.

(f) **Mandatory Prepayment Notice**. Borrower shall give notice to Agent of any mandatory prepayment of the DIP Loans promptly (and in any event within five Business Days) upon becoming obligated to make such prepayment. Such notice shall state the date on which Borrower is offering to make or will make such mandatory prepayment (the "Prepayment Date"). Once given, such notice shall be irrevocable and all amounts subject to such notice shall be due and payable on the Prepayment Date. Upon receipt by Agent of such notice, Agent shall promptly give notice to each Lender of the prepayment and the Prepayment Date.

2.5 **Promise to Pay; Promissory Notes.**

(a) Subject to the DIP Order, Borrower agrees to pay the Lender Group Expenses owing by Borrower on the earlier of (i) the first Business Day of the month following the date on which the applicable Lender Group Expenses were first incurred or (ii) the date on which demand therefor is made by Agent. Borrower promises to pay all of the DIP Facility Obligations (including principal, interest, premiums, if any, fees, costs, and expenses (including Lender Group Expenses)) owing by Borrower in full on the Maturity Date or, if earlier, on the date on which such DIP Facility Obligations become due and payable pursuant to the terms of this Agreement. Borrower agrees that its obligations contained in the first sentence of this Section 2.5 shall survive payment or satisfaction in full of all other DIP Facility Obligations.

(b) Any Lender may request that any portion of its DIP Loans made by it be evidenced by one or more promissory notes. In such event, Borrower shall execute and deliver to such Lender the requested promissory notes payable to such Lender and its registered assigns in a form furnished by Agent and reasonably satisfactory to Borrower. Thereafter, the portion of the DIP Loans evidenced by such promissory notes and interest thereon shall at all times be represented by one or more promissory notes in such form payable to the payee named therein.

2.6 **Interest Rates: Rates, Payments, and Calculations.**

(a) **Interest Rates**. Except as provided in Section 2.6(c), (i) all LIBOR Rate Loans shall bear interest at a per annum rate equal to the LIBOR Rate plus 7.00% and (ii) all Base Rate Loans shall bear interest at a per annum rate equal to the Base Rate plus 6.00%.

(b) **[Intentionally Omitted]**.

(c) **Default Rate**. Automatically upon the occurrence of an Event of Default described in Section 8.1, (x) all the DIP Loans shall bear interest at a default rate of interest equal to an additional 2.00% per annum over the rate otherwise applicable and (y) all other DIP Facility Obligations under the DIP Loan Documents that are past due shall bear interest at a default rate of interest equal to (I) in the case of past due interest, the default rate applicable to the DIP Loans giving rise to such interest and (II) in the case of all such other DIP Facility Obligations, the default rate applicable to Base Rate Loans whether or not such Base Rate Loans are actually outstanding at such time, and, in each case, all such interest will be payable on demand.

(d) **Payment**. Except to the extent provided to the contrary in Section 2.12(a), (i) all interest (other than interest due on LIBOR Rate Loans) shall be due and payable, in arrears, on the last Business Day of each calendar quarter, and (ii) all costs and expenses payable hereunder or under any of the other DIP Loan Documents and all Lender Group Expenses shall be due and payable on the earlier of (x) the first Business Day of the month following the date on which the applicable costs, expenses, or Lender Group Expenses were first incurred or (y) the date on which demand therefor is made by Agent. All interest in respect of LIBOR Rate Loans shall be due and payable as provided in Section 2.12(a)

(e) **Computation**. All interest and fees chargeable under the DIP Loan Documents shall be computed on the basis of a 360 day year, in each case, for the actual number of days elapsed in the period during which the interest or fees accrue; provided that Base Rate Loans shall be calculated on the basis of a 365 day year (or a 366 day year, in the case of a leap year). In the event the Base Rate is changed from time to time hereafter, the rates of interest hereunder based upon the Base Rate automatically and immediately shall be increased or decreased by an amount equal to such change in the Base Rate.

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

2.7 **Crediting Payments**. The receipt of any payment item by Agent shall not be required to be considered a payment on account unless such payment item is a wire transfer of immediately available federal funds in Dollars made to Agent's Account or unless and until such payment item is honored when presented for payment. Should any payment item not be honored when presented for payment, then Borrower shall be deemed not to have made such payment and interest shall be calculated accordingly. Anything to the contrary contained herein notwithstanding, any payment item shall be deemed received by Agent only if it is received into Agent's Account on a Business Day on or before 4:30 p.m. If any payment item is received into Agent's Account on a non-Business Day or after 4:30 p.m. on a Business Day (unless Agent, in its sole discretion, elects to credit it on the date received), it shall be deemed to have been received by Agent as of the opening of business on the immediately following Business Day.

2.8 **[Intentionally Omitted]**.

2.9 **[Intentionally Omitted]**.

2.10 **Fees**.

(a) Borrower shall pay to Agent and each Lender, as and when due and payable under the terms of the Fee Letter, the fees set forth in the Fee Letter.

(b) Borrower agrees to pay to the Agent, for the ratable benefit of the Lenders having DIP Loan Commitment exposure, a fee calculated at a rate per annum equal to 0.50% on the average daily unused portion of the DIP Loan Commitments, payable in arrears on the last Business Day of each calendar quarter.

2.11 **[Intentionally Omitted]**.

2.12 **LIBOR Option**.

(a) **Interest and Interest Payment Dates.** In lieu of having interest charged at the rate based upon the Base Rate, Borrower shall have the option, subject to Section 2.12(b) below (the "LIBOR Option"), to have interest on all or a portion of the DIP Loans be charged (whether at the time when made (unless otherwise provided herein), upon conversion from a Base Rate Loan to a LIBOR Rate Loan, or upon continuation of a LIBOR Rate Loan as a LIBOR Rate Loan) at a rate of interest based upon the LIBOR Rate. Interest on LIBOR Rate Loans shall be payable on the earliest of (i) the last day of the Interest Period applicable thereto; provided that, subject to the following clauses (ii) and (iii), in the case of any Interest Period greater than 3 months in duration, interest shall be payable at 3 month intervals after the commencement of the applicable Interest Period and on the last day of such Interest Period, (ii) the date on which all or any portion of the DIP Facility Obligations are accelerated pursuant to the terms hereof, or (iii) the date on which this Agreement is terminated pursuant to the terms hereof. On the last day of each applicable Interest Period, unless Borrower has properly exercised the LIBOR Rate Option with respect thereto, the interest rate applicable to such LIBOR Rate Loan automatically shall convert to the rate of interest then applicable to Base Rate Loans of the same type hereunder. At any time that an Event of Default has occurred and is continuing, at the written election of Agent or the Required Lenders, Borrower no longer shall have the option to request that DIP Loans bear interest at a rate based upon the LIBOR Rate.

(b) **LIBOR Election**.

(i) Borrower may, at any time and from time to time, so long as Borrower has not received a notice from Agent (which notice Agent may elect to give or not give in its discretion unless Agent is directed to give such notice by the Required Lenders, in which case, it shall give the notice to Borrower), after the occurrence and during the continuance of an Event of Default, exercising Lenders' rights to terminate the right of Borrower to exercise the LIBOR Option during the continuance of such Event of Default, elect to exercise the LIBOR Option by notifying Agent prior to 1:00 p.m. at least 3 Business Days prior to the commencement of the proposed Interest Period (the "LIBOR Deadline"). The election of the LIBOR Option by Borrower for a permitted portion of its DIP Loans and an Interest Period pursuant to this Section shall be made by delivery to Agent of a LIBOR Notice received by Agent before the LIBOR Deadline, or by telephonic notice received by Agent before the LIBOR Deadline (to be confirmed by delivery to Agent of a LIBOR Notice received by Agent prior to 5:00 p.m. on the same day). Promptly upon its receipt of each such LIBOR Notice, Agent shall provide a copy thereof to each of the affected Lenders.

(ii) Each LIBOR Notice shall be irrevocable and binding on Borrower. In connection with each LIBOR Rate Loan, Borrower shall indemnify, defend, and hold Agent and the Lenders harmless against any loss, cost, or expense actually incurred by Agent or any Lender as a result of (A) the payment of any principal of such LIBOR Rate Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (B) the conversion of such LIBOR Rate Loan other than on the last day of the Interest Period applicable thereto, or (C) the failure to borrow, convert, continue or prepay any LIBOR Rate Loan on the date specified in such LIBOR Notice delivered pursuant hereto (such losses, costs, or expenses, "Funding Losses"). A certificate of Agent or a Lender delivered to Borrower setting forth in reasonable detail any amount or amounts that Agent or such Lender is entitled to receive pursuant to this Section 2.12 shall be conclusive absent manifest error. Borrower shall pay such amount to Agent or the Lender, as applicable, within 30 days of the date of its receipt of such certificate.

(iii) Unless Agent, in its sole discretion, agrees otherwise, Borrower shall have not more than 10 LIBOR Rate Loans in effect at any given time. Borrower may only exercise the LIBOR Option for proposed LIBOR Rate Loans of at least $1,000,000 (and in increments of $500,000 in excess thereof).

(c) **Conversion**. Borrower may convert LIBOR Rate Loans to Base Rate Loans at any time by notifying Agent prior to 1:00 p.m. at least 3 Business Days prior to the date of the proposed conversion; provided that, in the event that LIBOR Rate Loans are converted or prepaid on any date that is not the last day of the Interest Period applicable thereto, including as a result of any prepayment through the required application by Agent of any payments or proceeds of Collateral in accordance with Section 2.4(b) or for any other reason, including early termination of the term of this Agreement or acceleration of all or any portion of the DIP Facility Obligations pursuant to the terms hereof, Borrower shall indemnify, defend, and hold Agent and the Lenders and their Participants harmless against any and all Funding Losses in accordance with Section 2.12 (b)(ii); provided, further, that any such conversions are subject to the minimum amounts set forth in clause (b)(iii) above.

(d) **Special Provisions Applicable to LIBOR Rate**.

(i) The LIBOR Rate may be adjusted by Agent with respect to any Lender on a prospective basis to take into account any additional or increased costs to such Lender of maintaining or obtaining any Eurodollar deposits or increased costs, in each case, due to a Change in Law (including any Change in Law that subjects any Recipient to any Taxes (other than (A) Indemnified Taxes and (B) Excluded Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto) occurring subsequent to the commencement of the then applicable Interest Period, including any changes in the reserve requirements imposed by the Board of Governors, which additional or increased costs would increase the cost of funding or maintaining loans bearing interest at the LIBOR Rate. In any such event, the affected Lender shall give Borrower and Agent notice of such a determination and adjustment and Agent promptly shall transmit the notice to each other Lender and, upon its receipt of the notice from the affected Lender, Borrower may, by notice to such affected Lender (A) require such Lender to furnish to Borrower a statement setting forth in reasonable detail the basis for adjusting such LIBOR Rate and the method for determining the amount of such adjustment, or (B) repay the LIBOR Rate Loans of such Lender with respect to which such adjustment is made (together with any amounts due under Section 2.12(b)(ii)).

(ii) In the event that any change in market conditions or any Change in Law shall, at any time after the date hereof in the reasonable opinion of any Lender, make it unlawful or impractical for such Lender to fund or maintain LIBOR Rate Loans or to continue such funding or maintaining, or to determine or charge interest rates at the LIBOR Rate, such Lender shall give notice of such changed circumstances to Agent and Borrower and Agent promptly shall transmit the notice to each other Lender and (y) in the case of any LIBOR Rate Loans of such Lender that are outstanding, the date specified in such Lender's notice shall be deemed to be the last day of the Interest Period of such LIBOR Rate Loans, and interest upon the LIBOR Rate Loans of such Lender thereafter shall accrue interest at the rate then applicable to Base Rate Loans, and (z) Borrower shall not be entitled to elect the LIBOR Option until such Lender determines that it would no longer be unlawful or impractical to do so.

(e) **No Requirement of Matched Funding**. Anything to the contrary contained herein notwithstanding, neither Agent, nor any Lender, nor any of their respective Participants, is required actually to acquire Eurodollar deposits to fund or otherwise match fund any DIP Facility Obligation as to which interest accrues at the LIBOR Rate.

2.13 **Capital Requirements**.

(a) If, after the date hereof, any Lender determines that (i) any Change in Law regarding capital or reserve requirements for banks or bank holding companies, or (ii) compliance by such Lender, or their respective parent bank holding companies, with any guideline, request or directive of any Governmental Authority regarding capital adequacy or liquidity (whether or not having the force of law), has the effect of reducing the return on such Lender's, or such holding companies' capital as a consequence of such Lender's commitments hereunder to a level below that which such Lender, or such holding companies could have achieved but for such Change in Law or compliance (taking into consideration such Lender's, or

such holding companies' then existing policies with respect to capital adequacy or liquidity and assuming the full utilization of such entity's capital) by any amount deemed by such Lender to be material, then such Lender may notify Borrower and Agent thereof. Following receipt of such notice, Borrower agrees to pay such Lender on demand the amount of such reduction of return of capital as and when such reduction is determined, payable within 30 days after presentation by such Lender of a statement in the amount and setting forth in reasonable detail such Lender's calculation thereof and the assumptions upon which such calculation was based (which statement shall be deemed true and correct absent manifest error). In determining such amount, such Lender may use any reasonable averaging and attribution methods. Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; provided that Borrower shall not be required to compensate a Lender pursuant to this Section for any reductions in return incurred more than 180 days prior to the date that such Lender notifies Borrower of such Change in Law giving rise to such reductions and of such Lender's intention to claim compensation therefor; provided further that if such claim arises by reason of the Change in Law that is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof.

(b) If any Lender requests additional or increased costs referred to in Section 2.12(d)(i) or amounts under Section 2.13(a) or sends a notice under Section 2.12(d)(ii) relative to changed circumstances (such Lender, an "Affected Lender"), then such Affected Lender shall use reasonable efforts to promptly designate a different one of its lending offices or to assign its rights and obligations hereunder to another of its offices or branches, if (i) in the reasonable judgment of such Affected Lender, such designation or assignment would eliminate or reduce amounts payable pursuant to Section 2.12(d)(i) or Section 2.13(a), as applicable, or would eliminate the illegality or impracticality of funding or maintaining LIBOR Rate Loans and (ii) in the reasonable judgment of such Affected Lender, such designation or assignment would not subject it to any material unreimbursed cost or expense and would not otherwise be materially disadvantageous to it. Borrower agrees to pay all reasonable and documented out-of-pocket costs and expenses incurred by such Affected Lender in connection with any such designation or assignment. If, after such reasonable efforts, such Affected Lender does not so designate a different one of its lending offices or assign its rights to another of its offices or branches so as to eliminate Borrower's obligation to pay any future amounts to such Affected Lender pursuant to Section 2.12(d)(i) or Section 2.13(a), as applicable, or to enable Borrower to obtain LIBOR Rate Loans, then Borrower (without prejudice to any amounts then due to such Affected Lender under Section 2.12(d)(i) or Section 2.13(a), as applicable), may, unless prior to the effective date of any such assignment the Affected Lender withdraws its request for such additional amounts under Section 2.12(d)(i) or Section 2.13(a), as applicable, or indicates that it is no longer unlawful or impractical to fund or maintain LIBOR Rate Loans, may designate a substitute Lender reasonably acceptable to Agent to purchase the DIP Facility Obligations owed to such Affected Lender (and its Affiliates) and such Affected Lender's (and its Affiliates') commitments hereunder (a "Replacement Lender"), and if such Replacement Lender agrees to such purchase, such Affected Lender (and its Affiliates) shall assign to the Replacement Lender its DIP Facility Obligations and commitments, and upon such purchase by the Replacement Lender, which such Replacement Lender shall be deemed to be a "Lender" for purposes of this Agreement and such Affected Lender (and its Affiliates) shall cease to be a "Lender" for purposes of this Agreement.

(c) Notwithstanding anything herein to the contrary, the protection of Section 2.13 shall be available to each Lender regardless of any possible contention of the invalidity or inapplicability of the Change in Law which shall have occurred or been imposed, so long as it shall be customary for lenders affected thereby to comply therewith. Notwithstanding any other provision no Lender shall demand compensation pursuant to this Section 2.13 if it shall not at the time be the general policy or practice of such Lender to demand such compensation in similar circumstances under comparable provisions of other credit agreements, if any.

2.14 **Superpriority Nature of DIP Facility Obligations and Agent' DIP Liens.**

(a) The priority of Lenders' DIP Liens on the DIP Collateral owned by the Loan Parties shall be set forth in the Interim DIP Order and the Final DIP Order.

(b) Subject to the Carve-Out, all DIP Facility Obligations shall constitute administrative expenses of Borrower and Guarantors in the Chapter 11 Cases pursuant to Section 364(c) of the Bankruptcy Code with priority over all other claims and administrative expenses of the kinds specified in, or ordered pursuant to, Sections 105, 326, 328, 330, 331, 503(b), 506(c), 507(a), 507(b), 546(c), 726, 1114 or any other provision of the Bankruptcy Code, and shall at all times during the period that the DIP Loans remain outstanding, remain senior in priority to all other claims or administrative expenses (other than the Carve-Out and the ABL DIP Obligations, in each case to the extent as set forth in the DIP Orders) (the "DIP Superpriority Claim").

(c) The DIP Liens granted to Agent for the benefit of the Lenders on the DIP Collateral owned by Borrower and Guarantors shall be valid and perfected on the basis and with the priority set forth in the definition of "DIP Lien" herein and in the DIP Orders.

(d) The "Carve Out" has the meaning assigned to that term in the Interim DIP Order and the Final DIP Order, as applicable.

(e) Except as set forth herein or in the DIP Orders, no other claim having a priority superior or pari passu to that granted to the Agent and the Lenders by the DIP Orders shall be granted or approved while any DIP Facility Obligations under this Agreement remain outstanding. Except for the Carve-Out and subject to entry of the Final DIP Order, no costs or expenses of administration shall be imposed against the Agent, the Lenders or any of the DIP Collateral or any of the Pre-Petition Term Agent, the Pre-Petition Term Lenders or the Collateral (as defined in each of the Pre-Petition Term Facility Agreements) under Sections 105, 506(c) or 552 of the Bankruptcy Code, or otherwise, and each of the Loan Parties hereby waives for itself and on behalf of its estate in bankruptcy, any and all rights under sections 105, 506(c) or 552, or otherwise, to assert or impose or seek to assert or impose, any such costs or expenses of administration against Agent, Lenders or any of the DIP Collateral or any of the Pre-Petition Term Agent or the Pre-Petition Term Lenders.

2.15 **No Discharge; Survival of Claims.** Until payment in full of the DIP Loans and all other DIP Facility Obligations, each of the Borrower and the Guarantors agrees that (a) the DIP Facility Obligations hereunder shall not be discharged by the entry of an order confirming a plan of reorganization or liquidation in any Chapter 11 Case (and each of the Borrower and the Guarantors, pursuant to Section 1141(d)(4) of the Bankruptcy Code, hereby waives any such

discharge) and (b) the DIP Superpriority Claim and the DIP Liens granted to the Agent pursuant to the DIP Orders and described in this Section 2.15 shall not be affected in any manner by the entry of an order confirming a plan of reorganization or liquidation in any Chapter 11 Case.

2.16 **Waiver of any Priming Rights**. On and after the Effective Date, and on behalf of themselves and their estates, and for so long as any DIP Facility Obligations shall be outstanding, the Borrower and the Guarantors hereby irrevocably waive any right, pursuant to Sections 364(c) or 364(d) of the Bankruptcy Code or otherwise, to grant any Lien of equal or greater priority than the DIP Liens securing the DIP Facility Obligations, or to approve a claim of equal or greater priority than the DIP Facility Obligations, in each case other than as contemplated by the ABL DIP Facility Documents.

3. CONDITIONS; TERM OF AGREEMENT.

3.1 **Conditions Precedent to the Effective Date**. As a condition to the effectiveness of this Agreement and the availability of the Interim DIP Loan Commitment, each of the following documents (each in form and substance reasonably satisfactory to the Agent and the Required Lenders unless otherwise indicated) shall have been delivered to the Agent, and the following conditions shall have been satisfied:

(a) Corporate Due Diligence.

(i) The Agent shall have received a certificate of corporate good standing issued by the Secretary of State of each State in which a Loan Party is organized dated as of a recent date prior to the Effective Date.

(ii) The Agent shall have received a copy of the resolutions or equivalent action, in form and substance reasonably satisfactory to the Agent, of the Board of Directors of each Loan Party authorizing, as applicable, (i) the execution, delivery and performance of this Agreement and the other DIP Loan Documents to which it is or will be a party as of the Effective Date, (ii) the Extensions of Credit to such Loan Party (if any) contemplated hereunder and (iii) the granting by it of the DIP Liens to be created pursuant to the Security Documents to which it will be a party as of the Effective Date, certified by a Responsible Officer or other authorized representative of such Loan Party as of the Effective Date, and stating that the resolutions or other action thereby certified have not been amended, modified (except as any later such resolution or other action may modify any earlier such resolution or other action), superseded or revoked in any respect and are in full force and effect as of the Effective Date.

(iii) The Agent shall have received a certificate of each Loan Party, dated as of the Effective Date, as to the incumbency and signature of the officers or other authorized signatories of such Loan Party

executing any DIP Loan Document with respect to such Loan Party on the Effective Date.

(iv) The Agent shall have received copies of the Governing Documents of each Loan Party, in each case certified as of the Effective Date as true, correct and complete copies (as amended through the Effective Date) by (if applicable) the Secretary of State and a Responsible Officer.

(v) The Agent shall have received the Initial Approved Budget attached hereto as Exhibit B-3.

(b) DIP Loan Documents. (A) All material documentation relating to the DIP Facility shall be in form and substance satisfactory to the Agent and the Lenders and their counsel and (B) the Agent shall have received the following DIP Loan Documents, executed and delivered as required below:

(i) this Agreement, executed and delivered by a duly authorized officer of the Borrower;

(ii) the Guaranty and Security Agreement;

(iii) the Intercreditor Agreement; and

(iv) the Fee Letter.

(c) Borrowing Notice. With respect to the Interim DIP Loans, the Agent shall have received a notice of such borrowing as required by Section 2.3(a) and an accompanying funds flow.

(d) The Related Transactions. The Related Transactions required to be performed on or prior to the Effective Date shall have been performed in a manner contemplated in the Related Agreements.

(e) Officers' Certificates. The Agent shall have received a certificate from the Borrower, dated the Effective Date, substantially in the form of Exhibit 3.1 hereto, with appropriate insertions and attachments.

(f) Representations and Warranties. Each of the representations made by or on behalf of the Loan Parties in this Agreement or in any of the other DIP Loan Documents or in any other report, statement, document, or paper provided by or on behalf of a Loan Party shall be true and complete in all material respects as of the date as of which such representation or warranty was made, except in the case of any representation and warranty qualified by materiality, they shall be true and correct in all respects.

(g) Litigation; Judgments. Other than the Chapter 11 Cases, or as stayed upon the commencement of the Chapter 11 Cases, there shall exist no action, suit, investigation, litigation or proceeding pending or threatened in any court or before any arbitrator or

Governmental Authority that (i) except as disclosed, if adversely determined, could reasonably be expected to result in a Material Adverse Effect or (ii) restrains, prevents, prohibits, restricts or imposes materially adverse conditions upon the DIP Facility, the DIP Collateral or the transactions contemplated hereby.

(h) Consents; Absence of Conflicts. Other than the DIP Orders, (i) all governmental and third party consents and approvals necessary in connection with the DIP Facility and the Related Transactions shall have been obtained (without the imposition of any conditions that are not acceptable to the Agent and the Required Lenders in their reasonable discretion) and shall remain in effect, and (ii) there shall not exist any law, regulation, ruling, judgment, order, injunction or other restraint that prohibits, restricts or imposes a materially adverse condition on the DIP Facility or the exercise by the Agent at the direction of the Required Lenders of its rights as a secured party with respect to the DIP Collateral.

(i) Cases. The Loan Parties shall have filed the Petitions with the Bankruptcy Court commencing the Chapter 11 Cases.

(j) Interim DIP Order and First Day Motions. The Agent shall have received a copy of the Interim DIP Order, which Interim DIP Order (i) shall have been entered on the docket of the Bankruptcy Court on or before the Effective Date and (ii) shall be in full force and effect and shall not have been vacated, stayed, reversed, modified or amended in any respect without the written consent of the Agent and the Required Lenders (such consent to be given in their sole discretion) and, if the Interim DIP Order is the subject of a pending appeal in any respect, neither the making of the Interim DIP Loans, nor the performance by the Loan Parties of any of their respective obligations hereunder, under the other DIP Loan Documents or under any other instrument or agreement referred to herein shall be the subject of a presently effective stay pending appeal. Such Interim DIP Order shall authorize and approve the DIP Loans, this Agreement and the DIP Loan Documents contemplated hereby and thereby. All "first day" motions to be filed with and submitted to the Bankruptcy Court on the Petition Date and related orders to be entered by the Bankruptcy Court shall be in form and substance reasonably satisfactory to the Agent and the Required Lenders.

(k) Motions and Documents. All material motions and other material documents to be filed with and submitted to the Bankruptcy Court related to the DIP Facility and the approval thereof shall be in form and substance reasonably satisfactory to the Agent and the Required Lenders.

(l) ABL DIP Facility Documents. The ABL DIP Facility Agreement and the other ABL DIP Facility Documents shall have been duly executed and delivered by the parties thereto, and shall be in full force and effect and shall be in form and substance reasonably satisfactory to the Agent and the Required Lenders.

(m) Validity and Priority of DIP Liens. Pursuant to the Interim DIP Order, the Agent, for the benefit of the Lenders, shall have a valid and perfected DIP Lien on and security interest in the DIP Collateral on the basis and with the priority set forth in the definition of "DIP Lien" herein and in the Interim DIP Order.

(n) Insurance. Upon request of the Agents, the Borrower shall obtain endorsements naming the Agent, on behalf of the Lenders, as an additional insured or loss payee, as applicable, under all insurance policies to be maintained with respect to the properties of the Loan Parties and their Subsidiaries forming part of the DIP Collateral, which endorsements shall provide for 30 days' (or 10 days for failure to pay premiums) prior notice of cancellation of such policies to be delivered to the Agent; provided that in the event such endorsements are not delivered on the Effective Date, Borrower shall provide such endorsements within thirty (30) days of the Effective Date.

(o) All Fees and Expenses Paid. All fees due at or immediately after the first funding under the DIP Facility and all reasonable and documented out-of-pocket costs, disbursements and expenses incurred by the Agent in connection with the establishment of the DIP Facility contemplated hereby, the Chapter 11 Cases and the Recognition Proceedings shall have been paid (to the extent then invoiced), including without limitation all reasonable and documented fees and out-of-pocket expenses of (i) the Agent's counsel, King & Spalding LLP, Agent's Canadian counsel, Blakes, Cassels & Graydon LLP, Agent's prior counsel, Winston & Strawn LLP, and, to the extent necessary, a firm of local counsel engaged by the Agent in connection with the Chapter 11 Cases, and (ii) any financial advisor retained by the Agent (if any).

(p) [reserved].

(q) RSA. The Agent shall have received an executed copy of the RSA, in form and substance satisfactory to the Agent and the Required Lenders.

(r) PATRIOT Act. The Agent and the Lenders shall have received at least one Business Day prior to the Effective Date all documentation and other information about the Loan Parties required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including without limitation the PATRIOT Act that has been reasonably requested in writing at least 3 Business Days prior to the Effective Date.

(s) Investment Banker. The Loan Parties shall have filed an application seeking the retention of an investment banker reasonably acceptable to the Agent and the Required Lenders (it being understood that Houlihan Lokey is acceptable to the Agent and the Required Lenders).

3.2 **Conditions Precedent to Funding on the Final Order Effective Date** . As a condition to the availability of the Final DIP Loan Commitments on or after the Final Order Effective Date and the Budget Advance Date DIP Loans on the Budget Advance Date, the following conditions shall have been satisfied:

(a) Final DIP Order. The Agent and the Required Lenders shall have received a copy of the Final DIP Order, which Final DIP Order (i) shall have been entered on the docket of the Bankruptcy Court on or before the date that is 40 calendar days after the Petition Date and (ii) shall be in full force and effect and shall not have been vacated, stayed, reversed, modified or amended in any respect without the written consent of the Agent and the Required Lenders (such consent to be given in their sole discretion); and, if the Final DIP Order is the subject of a

pending appeal in any respect, neither the making of the Final DIP Loans, nor the performance by the Loan Parties of any of their respective obligations hereunder, under the other DIP Loan Documents or under any other instrument or agreement referred to herein shall be the subject of a presently effective stay pending appeal. Such Final DIP Order shall authorize and approve the DIP Loans, this Agreement and the DIP Loan Documents contemplated hereby and thereby. All material motions, material orders and other material documents to be filed with and submitted to the Bankruptcy Court in connection therewith shall be in form and substance reasonably satisfactory to the Agent and the Required Lenders.

(b) Insurance. The endorsements (if any) required under Section 3.1(n) shall have been delivered to the Agent.

3.3 **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 the Effective Date, the Final Order Effective Date and the Budget Advance Date) is subject to the satisfaction or waiver of the following conditions precedent:

(a) Representations and Warranties. Each of the representations and warranties made by any Loan Party pursuant to this Agreement or any other DIP Loan Document (or in any amendment, modification or supplement hereto or thereto) to which it is a party, and each of the representations and warranties contained in any certificate furnished at any time by or on behalf of any Loan Party pursuant to this Agreement or any other DIP Loan Document shall, except to the extent that they relate to a particular date (in which case such representations and warranties shall be true and correct in all material respects on and as of such particular date), be true and correct in all material respects (without duplication of any materiality qualifier contained therein) on and as of such date as if made on and as of such date, in each case immediately prior to, and immediately after giving effect to, the funding of any DIP Loans.

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

(c) Notice. The Agent shall have received a notice of borrowing as required by Section 2.3(a).

(d) Law. Other than the DIP Orders, there shall not exist any law, regulation, ruling, judgment, order, injunction or other restraint that prohibits, restricts or imposes a materially adverse condition on the DIP Facility or the exercise by the Agent at the direction of the Lenders of its rights as a secured party with respect to the DIP Collateral.

(e) No MAE. Other than the commencement and continuation of the Chapter 11 Cases, no Material Adverse Effect shall have occurred.

(f) No injunction. The making of such DIP Loan shall not (i) violate any (x) applicable laws, rules, regulations, executive orders, or codes that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect, or (y) result in or cause a default with respect to any final judgments, writs, injunctions, decrees, rules or regulations of any court or any federal, state, municipal or other governmental department,

commission, board, bureau, agency or instrumentality, domestic or foreign, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect and (ii) not be enjoined temporarily, preliminarily or permanently.

(g) Compliance with Approved Budget. The use of proceeds of such DIP Loan giving effect to the application thereof on the date of such funding complies with the Approved Budget, subject to Permitted Variances, or has otherwise been approved in writing by the Agent (at the direction of the Required Lenders, in their sole discretion).

(h) DIP Orders. The DIP Orders, as applicable, shall have been entered by the Bankruptcy Court and shall be in full force and effect.

Each borrowing of DIP Loans by the Borrower hereunder shall constitute a representation and warranty by the Borrower as of the date of such borrowing that the conditions contained in this Section 3.3 have been satisfied.

4. REPRESENTATIONS AND WARRANTIES.

In order to induce the Lender Group to enter into this Agreement and to make the Extensions of Credit requested to be made by it on the Effective Date and the Final Order Effective Date, each of Parent and Borrower makes, as of the Effective Date, each of following representations and warranties to the Lender Group:

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

(a) Each Loan Party (i) is duly organized or incorporated and existing and in good standing (or, if such jurisdiction does not provide for good standing status, the equivalent status provided for in such jurisdiction) under the laws of the jurisdiction of its organization or incorporation, (ii) is qualified or registered to do business in any state, province or territory where the failure to be so qualified could reasonably be expected to result in a Material Adverse Effect, and (iii) has all requisite power and authority to own and operate its properties, to carry on its business as now conducted and as proposed to be conducted, to enter into the DIP Loan Documents to which it is a party and to carry out the transactions contemplated thereby.

(b) Other than as described on Schedule 4.1(b), as of the Effective Date, there are no subscriptions, options, warrants, or calls relating to any shares of Parent's Equity Interests, including any right of conversion or exchange under any outstanding security or other instrument. As of the Effective Date, other than pursuant to any equity compensation plan or arrangement benefiting, or pursuant to any agreement with, any current or former employer, officer, director or consultant of any Loan Party, Parent is not subject to any obligation (contingent or otherwise) to repurchase or otherwise acquire or retire any shares of its Equity Interests or any security convertible into or exchangeable for any of its Equity Interests.

(c) As of the Effective Date, set forth on Schedule 4.1(c) is a complete and accurate list of Parent's Subsidiaries, showing: (i) the number of shares of each class of common and preferred Equity Interests authorized for each of such Subsidiaries, and (ii) the number and the percentage of the outstanding shares of each such class owned by Parent or a Subsidiary of

Parent. All of the outstanding Equity Interests of each such Subsidiary have been validly issued and are fully paid and non-assessable, to the extent applicable.

(d) As of the Effective Date, except as set forth on Schedule 4.1(d), there are no subscriptions, options, warrants, or calls relating to any shares of Parent's Subsidiaries' Equity Interests, including any right of conversion or exchange under any outstanding security or other instrument.

4.2 **Due Authorization; No Conflict**.

(a) Subject to the entry by the Bankruptcy Court of the Interim DIP Order and Final DIP Order, as applicable as to each Loan Party, the execution, delivery, and performance by such Loan Party of the DIP Loan Documents to which it is a party have been duly authorized by all necessary action on the part of such Loan Party.

(b) Subject to the entry by the Bankruptcy Court of the Interim DIP Order and Final DIP Order, as applicable, and as to each Loan Party, the execution, delivery, and performance by such Loan Party of the DIP Loan Documents to which it is a party do not and will not (i) violate any provision of federal, state, provincial, foreign or local law or regulation applicable to any Loan Party or its Subsidiaries or any order, judgment, or decree of any court or other Governmental Authority binding on any Loan Party or its Subsidiaries, where any such violation individually or in the aggregate could reasonably be expected to have a Material Adverse Effect, (ii) violate the Governing Documents of any Loan Party or its Subsidiaries, (iii) conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under any agreement of any Loan Party or its Subsidiaries where any such conflict, breach or default could individually or in the aggregate reasonably be expected to have a Material Adverse Effect, (iv) result in or require the creation or imposition of any Lien of any nature whatsoever upon any assets of any Loan Party, other than Permitted Liens, or (v) require any approval of any holder of Equity Interests of a Loan Party or any approval or consent of any Person under any material agreement of any Loan Party, other than consents or approvals that have been obtained and that are still in force and effect and except, in the case of material agreements, for consents or approvals, the failure to obtain could not individually or in the aggregate reasonably be expected to cause a Material Adverse Effect.

4.3 **Governmental Consents**. Subject to the entry by the Bankruptcy Court of the Interim DIP Order and Final DIP Order, as applicable, the execution, delivery, and performance by each Loan Party of the DIP Loan Documents to which such Loan Party is a party do not and will not require any registration with, consent, or approval of, or notice to, or other action with or by, any Governmental Authority, other than registrations, consents, approvals, notices or actions (i) that have been obtained and that are in force and effect (other than for filings and recordings with respect to DIP Collateral to be made, or otherwise delivered to the Agent for filing or recordation, as of the Effective Date), (ii) are necessary or advisable in connection with releasing existing liens or filing Agent's DIP Liens, or (iii) the failure of which to receive would not reasonably be expected to cause a Material Adverse Effect.

4.4 **Binding Obligations**. Subject to the entry by the Bankruptcy Court of the Interim DIP Order and Final DIP Order, each DIP Loan Document has been duly executed and

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

4.5 **Title to Assets; No Encumbrances**. Each Loan Party has (a) good and sufficient legal title (in the case of any fee interest in Real Property), (b) valid leasehold interest in (in the case of leasehold interests in real or personal property), and (c) good and marketable title to (in the case of all other personal property) all of its material assets, in each case, free and clear of Liens except for Permitted Liens and, in the case of Real Property, minor defects in title that do not materially interfere with such Loan Party's ability to conduct its business or to utilize such assets for their intended purposes.

4.6 **Litigation**. Other than the filing, commencement and continuation of the Chapter 11 Cases and as listed on Schedule 4.6(a) and/or any litigation resulting therefrom, there are no actions, suits, or proceedings pending or, to the actual knowledge of Borrower or any Guarantor, threatened in writing against a Loan Party or any of its Subsidiaries that either individually or in the aggregate could reasonably be expected to result in a Material Adverse Effect.

4.7 **Compliance with Laws**. Except as otherwise permitted by an order of the Bankruptcy Court, no Loan Party nor any of its Subsidiaries (a) is in violation of any applicable laws, rules, regulations, executive orders, or codes that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect, or (b) is subject to or in default with respect to any final judgments, writs, injunctions, decrees, rules or regulations of any court or any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect.

4.8 **No Material Adverse Effect**. All financial statements (other than Projections, budgets, other forecasts and comparisons) relating to Loan Parties and their Subsidiaries that have been delivered by any Loan Party to the Lender Group have been prepared in accordance with GAAP (except, in the case of unaudited financial statements, for the lack of footnotes and being subject to year-end audit adjustments) and present fairly in all material respects, Loan Parties' and their Subsidiaries' (taken as a whole) financial condition as of the date thereof and results of operations for the period then ended. Except the filing, commencement and continuation of the Chapter 11 Cases and any litigation resulting therefrom, there has not been a Material Adverse Effect with respect to Loan Parties and their Subsidiaries since the Effective Date.

4.9 **No Default**. No Loan Party nor any of their Subsidiaries are in default under any of the DIP Loan Documents.

4.10 **Employee Benefits**.

(a) Except as set forth on Schedule 4.10, no Loan Party, nor any of their Subsidiaries, maintains or contributes to any Pension Plan or Multiemployer Plan.

(b) Each Loan Party has complied in all material respects with ERISA, the IRC and all applicable laws regarding each Employee Benefit Plan, except where the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

(c) Each Employee Benefit Plan is, and has been, maintained in substantial compliance with ERISA, the IRC, all applicable laws and the terms of each such Employee Benefit Plan, except where the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

(d) Except as could not reasonably be expected to result in a Material Adverse Effect, each Employee Benefit Plan that is intended to qualify under Section 401(a) of the IRC has received a favorable determination letter from the Internal Revenue Service or an application for such letter is currently being processed by the Internal Revenue Service, and nothing has occurred which could reasonably be expected to prevent, or cause the loss of, such qualification.

(e) Except as could not reasonably be expected to result in a Material Adverse Effect, no liability to the PBGC (other than for the payment of current premiums which are not past due) by any Loan Party or ERISA Affiliate has been incurred or is expected by any Loan Party or ERISA Affiliate to be incurred with respect to any Pension Plan.

(f) Except as could not reasonably be expected to result in a Material Adverse Effect, no Notification Event exists or has occurred in the past six (6) years.

(g) Except as could not reasonably be expected to result in a Material Adverse Effect, no Loan Party or ERISA Affiliate has provided any security under Section 436 of the IRC.

(h) Except as set forth on Schedule 4.10, no Loan Party, nor any of their Subsidiaries, maintains or contributes to any Canadian Pension Plan. No Loan Party, nor any of their Subsidiaries, maintains or contributes to any Canadian Defined Benefit Plan. Except as set forth on Schedule 4.10, as of the Effective Date, no Loan Party, nor any of their Subsidiaries, maintains or contributes to any material Canadian Benefits Plan. Each Loan Party has complied with the *Income Tax Act* (Canada) and all applicable laws regarding each Canadian Pension Plan or Canadian Benefits Plan, except in each case where the failure to do so could not reasonably be expected to result in a Material Adverse Effect. Each Canadian Pension Plan or Canadian Benefits Plan is, and has been maintained in compliance to the *Income Tax Act* (Canada), all applicable laws and the terms of each such Canadian Benefits Plan, except in each case where the failure to do so could not reasonably be expected to result in a Material Adverse Effect. No Loan Party, nor any of their Subsidiaries, has any liability for any Canadian Pension Plan or Canadian Benefits Plan which has been discontinued, except as could not reasonably be expected to result in a Material Adverse Effect.

4.11 **Environmental Condition**. Except as set forth on Schedule 4.11, (a) to Borrower's knowledge, none of Loan Parties' or their Subsidiaries' properties has ever been used by Loan Parties, their Subsidiaries, or, to Borrower's knowledge, by previous owners or operators in the disposal of, or to produce, store, handle, treat, release, or transport, any Hazardous Materials, where such use, disposal, production, storage, handling, treatment, or

release or transport was in violation of any applicable Environmental Law or resulted in an Environmental Action, except as would not reasonably be expected to result in a Material Adverse Effect, (b) to Borrower's knowledge, none of Loan Parties' nor their Subsidiaries' properties or assets has ever been designated or identified by a Governmental Authority pursuant to RCRA, CERCLA or any analogous statute as a Hazardous Materials disposal site or a site that requires Remedial Action, in either case that could reasonably be expected to result in a Material Adverse Effect, (c) no Environmental Lien (other than a Permitted Lien) has attached to any revenues of the Loan Parties or their Subsidiaries or to any Real Property owned by the Loan Parties or their Subsidiaries, or, to Borrower's knowledge, operated, but not owned, by Loan Parties or their Subsidiaries, (d) none of Loan Parties nor any of their Subsidiaries have received a summons, citation, written notice, or directive from the United States Environmental Protection Agency or any other federal (including the federal government of Canada), state or provincial governmental agency concerning any action or omission by any Loan Party or any Subsidiary of a Loan Party resulting in the releasing or disposing of Hazardous Materials into the environment which could reasonably be expected to result in a Material Adverse Effect, (e) each of the Loan Parties, their Subsidiaries, and their respective operations are and have at all times been in compliance with Environmental Laws, except as would not reasonably be expected to result in a Material Adverse Effect, (f) each of the Loan Parties and their Subsidiaries have obtained all permits, licenses, authorizations and approvals required under Environmental Law for the conduct of their business and operations (collectively, "Environmental Permits"), and are in compliance with the terms and conditions of such Environmental Permits, except as would not reasonably be expected to result in a Material Adverse Effect, and (g) none of the Loan Parties nor any of their Subsidiaries are subject to any Environmental Action or Environmental Liability, except as would not reasonably be expected to result in a Material Adverse Effect.

4.12 **Complete Disclosure**.

(a) As of the Effective Date, all written factual information (other than the projections, budgets, estimates, forward-looking statements, information of a general economic nature, general information about Borrower's industry or general market data) (when taken as a whole) furnished by or on behalf of Loan Parties in writing to Agent or any Lender (including all information contained in the Schedules hereto or in the other DIP Loan Documents) in or pursuant to this Agreement, the other DIP Loan Documents, or in connection with any transaction contemplated herein or therein, is (other than the projections, budgets, estimates, forward-looking statements, information of a general economic nature, general information about Borrower's industry or general market data) (when taken as a whole), and hereafter furnished by or on behalf of Loan Parties or their Subsidiaries in writing to Agent or any Lender will be, true and accurate in all material respects on the date as of which such information is dated or certified, and not incomplete by omitting to state any fact necessary to make such information (taken as a whole) not misleading in any material respect at such time in light of the circumstances under which such information was provided.

(b) The Initial Approved Budget and each Weekly Cash Flow Forecast delivered thereafter are prepared in good faith based upon estimates and assumptions believed by management of the Borrower to be reasonable and fair in light of current conditions and facts known to the Borrower at the time delivered (it being understood that such Approved Budget and

the Weekly Cash Flow Forecasts and the assumptions on which they were based, may or may not prove to be correct).

4.13 **Patriot Act; Foreign Corrupt Practices Act**. To the extent applicable, each Loan Party is in compliance, in all material respects, with the (a) Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto, and (b) Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA Patriot Act of 2001) (the "Patriot Act"). No part of the proceeds of the loans made hereunder will be used by any Loan Party or any of their Affiliates, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

4.14 **Chapter 11 Cases**. The Chapter 11 Cases were commenced on the Petition Date in accordance with applicable law and proper notice has been or will be given of (i) the motion seeking approval of the DIP Loan Documents, the Interim DIP Order and the Final DIP Order, (ii) the hearing for the entry of the Interim DIP Order, and (iii) the hearing for the entry of the Final DIP Order, as applicable.

4.15 **Payment of Taxes**. All material tax returns and Tax reports of each Loan Party and its Subsidiaries required to be filed by any of them have been timely filed, and, except to the extent subject to the automatic stay in connection with the Chapter 11 Cases, all material Taxes that are due and payable and all material assessments, fees and other governmental charges upon a Loan Party and its Subsidiaries and upon their respective assets, income, businesses and franchises that are due and payable have been paid when due and payable unless subject to a Permitted Protest. Each Loan Party and each of its Subsidiaries have made adequate provision in accordance with GAAP for all material Taxes not yet due and payable. Neither Borrower nor any Guarantor knows of any proposed material Tax assessment against a Loan Party or any of its Subsidiaries that is not subject to a Permitted Protest.

4.16 **Margin Stock**. No Loan Party nor any of its Subsidiaries owns any Margin Stock or is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any Margin Stock. No part of the proceeds of the loans made to Borrower will be used to purchase or carry any Margin Stock or to extend credit to others for the purpose of purchasing or carrying any Margin Stock or for any purpose that violates the provisions of Regulation T, U or X of the Board of Governors. Neither any Loan Party nor any of its Subsidiaries expects to acquire any Margin Stock.

4.17 **Governmental Regulation**. No Loan Party nor any of its Subsidiaries is subject to regulation under the Federal Power Act or the Investment Company Act of 1940 or under any other federal or state statute or regulation which may limit its ability to incur Indebtedness or which may otherwise render all or any portion of the DIP Facility Obligations unenforceable. No Loan Party nor any of its Subsidiaries is a "registered investment company" or a company

"controlled" by a "registered investment company" or a "principal underwriter" of a "registered investment company" as such terms are defined in the Investment Company Act of 1940.

4.18 **OFAC**. No Loan Party nor any of its Subsidiaries is in violation of any of the country or list based economic and trade sanctions administered and enforced by OFAC. No Loan Party nor any of its Subsidiaries nor, to the knowledge of such Loan Party, any director, officer, employee, agent or Affiliate of such Loan Party or such Subsidiary (a) is a Sanctioned Person or a Sanctioned Entity, (b) has any assets located in Sanctioned Entities, or (c) derives revenues from investments in, or transactions with Sanctioned Persons or Sanctioned Entities. No proceeds of any loan made hereunder will be used to fund any operations in, finance any investments or activities in, or make any payments to, a Sanctioned Person or a Sanctioned Entity, in each case, that would constitute a violation of applicable Laws.

4.19 **Employee and Labor Matters**. (i) There is no unfair labor practice complaint pending or, to the knowledge of Borrower or any Guarantor, threatened against Parent or its Subsidiaries before any Governmental Authority and there is no grievance or arbitration proceeding pending or threatened against Parent or its Subsidiaries which arises out of or under any collective bargaining agreement except as could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, (ii) there is no strike, labor dispute, slowdown, stoppage or labor grievance pending or threatened in writing against Parent or its Subsidiaries that could reasonably be expected to result in a material liability, (iii) none of Parent or its Subsidiaries has incurred any liability or obligation under the Worker Adjustment and Retraining Notification Act or similar state law, which remains unpaid or unsatisfied, (iv) the hours worked and payments made to employees of Parent or its Subsidiaries have not been in violation of the Fair Labor Standards Act or any other applicable legal requirements except to the extent such violations could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, and (v) all payments due from Parent or its Subsidiaries on account of wages and employee health and welfare insurance and other benefits have been paid or accrued as a liability on the books of Parent.

4.20 **[Reserved]**.

4.21 **Broker Fees**. There are no brokerage commissions, finder's fees or investment banking fees payable by Parent or any of its Affiliates in connection with any Transactions.

4.22 **Suppliers and Customers**. To the actual knowledge of the Loan Parties, there exists no actual or threatened in writing termination, cancellation, or limitation of or modification to or change to the business relationship between any Loan Party and any supplier or customer except to the extent such termination, cancellation, limitation, modification or change is not reasonably expected to have a Material Adverse Effect.

4.23 **Security Interest**. This Agreement and the Security Documents, including the DIP Orders, are effective to create in favor of the Agent, for the benefit of the Lenders, legal, valid, enforceable and continuing first priority Liens on, and security interests in, the DIP Collateral pledged hereunder or thereunder, in each case subject to no Liens other than Permitted Priority Liens with the relative priorities granted pursuant to the terms of the Intercreditor Agreement and the DIP Orders, as applicable. Pursuant to the terms of the DIP Orders, no filing

or other action will be necessary to perfect or protect such DIP Liens and security interests. Pursuant to and to the extent provided in the DIP Orders, the Indebtedness of the Loan Parties under this Agreement will constitute part of the DIP Superpriority Claim

4.24 **DIP Orders**. The Loan Parties are in compliance with the terms and conditions of the DIP Orders. Each of the Interim DIP Order (with respect to the period prior to the entry of the Final DIP Order) or the Final DIP Order (from after the date the Final DIP Order is entered) is in full force and effect and has not been vacated, reversed or rescinded without the prior written consent of the Agent and Required Lenders, in their sole discretion.

4.25 **Immaterial Subsidiaries.** As of the Effective Date, each of the Subsidiaries of Parent set forth on Schedule 4.25 have been designated as Immaterial Subsidiaries by Parent and each such Subsidiary satisfies the criteria for such designation.

4.26 **Intellectual Property.** All registered patents, patent applications, trademark registrations, trademark applications, service mark registrations, service mark applications, copyright registrations, copyright applications and tradename registrations owned by each Loan Party as of the Effective Date are set forth on Schedule 4.26 (as such Schedule 4.26 may be updated at any time upon written notice to Agent to reflect any such Intellectual Property (as defined below) acquired after the Effective Date). Each Loan Party and each of its Subsidiaries owns, or has the legal right to use, all United States and foreign patents, patent applications, trademarks, trademark applications, trade names, copyrights, technology, know-how and processes necessary for each of them to conduct its business as currently conducted (the "Intellectual Property") except as would not reasonably be expected to result in a Material Adverse Effect. Except as provided on Schedule 4.26, no claim has been asserted and is pending by any Person against any Loan Party or any of its Subsidiaries challenging or questioning the use of any such Intellectual Property or the validity or effectiveness of any such Intellectual Property, nor does the Borrower know of any such claim, and, to the knowledge of the Borrower, the use of such Intellectual Property by the Loan Parties and their Subsidiaries does not infringe on the rights of any Person, except for such claims and infringements which in the aggregate would not reasonably be expected to be materially adverse to the Lenders.

4.27 **Insurance**. All properties of each Loan Party and its Subsidiaries are insured to the extent required by Section 5.6. Schedule 4.27 sets forth a description of such insurance as of the Effective Date.

4.28 **Purpose of DIP Loans**. The proceeds of DIP Loans shall be used by the Borrower only for the following purposes, in each case in accordance with and subject to compliance with Section 6.19 and the DIP Orders (except as otherwise agreed by the Agent and the Required Lenders): (i) working capital and general corporate purposes of the Loan Parties, (ii) to fund the costs of the administration of the Chapter 11 Cases and the consummation of the Plan under the Bankruptcy Code, (iii) to fund interest, fees, and other payments contemplated in respect of this Agreement and the other DIP Loan Documents, and (iv) to fund allowed administrative expenses incurred during the Chapter 11 Cases.

5. AFFIRMATIVE COVENANTS.

Each of Parent and Borrower covenants and agrees that, until termination of all of the DIP Loan Commitments and payment in full of the DIP Facility Obligations:

5.1 **Financial Statements**. Borrower will deliver to Agent, which shall furnish to each Lender, each of the following:

(a) [reserved];

(b) [reserved];

(c) as soon as available, but in any event no later than 30 days after the end of each fiscal month of each year, an unaudited consolidated balance sheet, income statement, and statement of cash flow covering Parent's and its Subsidiaries' operations during such period, together with a report setting forth comparisons to the corresponding figures for the corresponding periods of the applicable month and year to date period for the previous year and applicable month and year to date period set forth in the Projections; and

(d) all such financial statements delivered pursuant to Section 5.1(c) shall be certified by a Responsible Officer of the Parent to fairly present in all material respects the financial condition of the Parent and its Subsidiaries in conformity with GAAP and to be (and, in the case of any financial statements delivered pursuant to Section 5.1(c) shall be certified by a Responsible Officer of the Parent as being) in reasonable detail and prepared in accordance with GAAP applied consistently throughout the periods reflected therein and with prior periods that began on or after the Effective Date (except, in the case of any financial statements delivered pursuant to Section 5.1(c), for the absence of certain footnotes).

5.2 **Reporting; Certificates; Other Information**. Furnish to the Agent for delivery to each Lender:

(a) following the delivery of the Initial Approved Budget on the Effective Date, (i) by 12:00 p.m. New York City time on the third Friday following the Petition Date and by 12:00 p.m. New York City time on the Friday that is every two weeks thereafter through the Life of the Case, the Borrower shall provide the Agent with an updated cash flow forecast for the Loan Parties and their Subsidiaries, with line item detail of projected sales, disbursements, collections, net cash flow, the outstanding amount of Revolving Loans (as defined in the ABL DIP Facility Documents) and the other items set forth in the Initial Approved Budget for the then-upcoming seventeen (17) week period (or such shorter, or longer, period, as applicable, to coincide with the Life of the Case), in each case, in substance reasonably satisfactory (such satisfaction not to be unreasonably withheld, delayed or conditioned) to and approved by the Agent and substantially consistent with the form of the Initial Approved Budget delivered on the Effective Date (the "Weekly Cash Flow Forecast"); (ii) by 12:00 p.m. New York City time beginning on the third Friday following the Petition Date, and by 12:00 p.m. New York City time on the Friday of each two-week period thereafter, a variance report (the "Variance Report") setting forth, on a consolidated basis, actual cumulative aggregate cash receipts, disbursements and cash flows of the Loan Parties for the most recent three- or two-week period (as applicable) covered by such Variance Report and setting forth all the variances, on a line-item and aggregate

basis, from the amount set forth for such period as compared to the Initial Approved Budget or the most recently Approved Budget delivered prior to such Variance Report on a weekly and cumulative basis for the period from the first week commencing after the Petition Date through the end of the week in regard to which such variance report is being delivered (which shall not exceed what is permitted by the Permitted Variance), and each such Variance Report shall include explanations for all material variances for the most recent three- or two-week period in regard to which such variance report is being delivered and shall be certified by a Financial Officer of the Loan Parties, and (iii) deliver to Agent and Lenders, on at least a bi-weekly (i.e., once every two weeks) basis, a written narrative report of the key performance metrics monitored by management of the Loan Parties regarding the business of the Borrowers and their Subsidiaries, in each case in a form reasonably acceptable to the Agent.

(b) concurrently with the delivery of the financial statements and reports referred to in Section 5.1(c), a certificate signed by a Financial Officer of the Borrower (a "Compliance Certificate"), substantially in the form of Exhibit 5.2(b), stating that, to the best of such Financial Officer's knowledge, each of the Parent and its Subsidiaries during such period has observed or performed all of its covenants and other agreements, and satisfied every condition, contained in this Agreement or the other DIP Loan Documents to which it is a party to be observed, performed or satisfied by it, and that such Financial Officer has obtained no knowledge of any Default or Event of Default, except, in each case, as specified in such certificate.

(c) [reserved].

(d) As soon as possible and in event later than 3 Business Days after Parent or any of its Subsidiaries has knowledge of (i) any event or condition that constitutes a Default or an Event of Default under this Agreement, (ii) any default or event of default under the Pre-Petition Term Facility, the Senior ABL Facility, or the ABL DIP Facility, or (iii) any payment default with respect to other obligations in excess of $100,000 that constitute an administrative expense.

(e) within 5 days after Parent or any of its Subsidiaries has knowledge thereof

(i) notice of any pending or threatened labor dispute, strike, walkout, or union organizing activity with respect to any employees of Parent or any of its Subsidiaries which could reasonably be expected to result in a Material Adverse Effect;

(ii) notice of (i) any material default by Parent or any of its Subsidiaries under or (ii) termination of any material contracts, in each case, which could reasonably be expected to result in a Material Adverse Effect;

(iii) [reserved];

(iv) any amendment, supplement or other modification to the ABL DIP Facility Documents; and

(v) copies of any financial statements or other reports sent to public security holders or filed with the SEC, and copies of any registrations or amendments (including any registration statements and amendments thereto) filed with the SEC.

(f) [reserved].

(g) Except as otherwise provided in Section 5.9(d), within 10 days of receipt by Parent or any of its Subsidiaries, notice of receipt by Parent or any of its Subsidiaries from any local, state or federal authority advising such Person of any Environmental Liability arising from such Person's operations, its premises, its waste disposal practices, or waste disposal sites used by such Person, which Environmental Liability would reasonably be expected to result in a Material Adverse Effect.

(h) On a quarterly basis with the delivery of a Compliance Certificate pursuant to Section 5.2(b) (or, if an Event of Default has occurred and is continuing, more frequently if requested by Agent), a written report regarding Intellectual Property in accordance with Section 7(g)(v) of the Guaranty and Security Agreement.

(i) Concurrently with the delivery by any Loan Party or promptly upon receipt by any Loan Party, as applicable, (i) such collateral reports, certificates and other information delivered pursuant to the ABL DIP Facility Agreement and (ii) any appraisal or field exam prepared in connection with the ABL DIP Facility Agreement.

(j) Upon request by Agent or any Lender, such other reports as to the DIP Collateral or the financial condition of Parent or any of its Subsidiaries, as Agent or such Lender may reasonably request (it being agreed, without limitation, that any such request made following the occurrence and during the continuation of an Event of Default shall be deemed reasonable for purposes of this Section 5.2(j)).

(k) For so long any Small Business Investment Company that becomes a Lender on or after the Effective Date is a Lender, within thirty (30) days of its request, Borrowers shall provide to any such Lender such forms and financial and other information with respect to any business or financial condition of the Loan Parties and their Subsidiaries required by the SBA, including, but not limited to, (i) forms and information with respect to such Lender's reporting requirements under SBA Form 468, (ii) information regarding the full-time equivalent jobs created or retained in connection with such Lender's investment in Loan Parties, the impact of the financing on Loan Parties' business in terms of revenues and profits and on taxes paid by Loan Parties and their employees and (iii) a list of Lenders (other than such Lender).

Documents required to be delivered pursuant to Sections 5.1(c), 5.2(a), 5.2(b), 5.2(c), 5.2(d), 5.2(e), 5.2(f) or 5.2(g) may at the Borrower's option be delivered electronically and, if so delivered, shall be deemed to have been delivered on the date (i) on which Borrower delivers such documents by electronic mail to the Agent or (ii) on which such documents are posted on the Borrower's behalf on an Internet or intranet website, if any, to which each Lender

and each Agent have access (whether a commercial, third party website or whether sponsored by the Agent).

5.3 **Maintenance of Existence and Conduct of Business**.

(a) Except as otherwise permitted by Sections 6.3 and 6.4, Parent will, and will cause each of its Subsidiaries to, at all times preserve and keep in full force and effect each Loan Party's and each Loan Party's Subsidiaries' valid existence and good standing (or, if such jurisdiction does not provide for good standing status, the equivalent status provided for in such jurisdiction) and governmental and similar rights, permits, licenses, authorizations or other approvals and franchises, in each case, if the failure to do so could reasonably be expected to result in a Material Adverse Effect.

(b) Parent will, and will cause each of its Subsidiaries to, (i) take all reasonable actions to maintain all rights, privileges and franchises necessary or desirable in the normal conduct of the business of the Parent and its Subsidiaries, taken as a whole, including all licenses, patents, copyrights, design rights, tradenames, trade secrets and trademarks and take all actions necessary to enforce and protect the validity of any intellectual property right or other right included in the DIP Collateral to the extent that failure to comply therewith, in the aggregate, would not reasonably be expected to be adverse to the Lenders or any Loan Party in any material respect; (ii) maintain a cash management system substantially as in effect on the Petition Date, and (iii) in accordance with the Bankruptcy Code and subject to any required approval by any applicable order of the Bankruptcy Court, comply with all post-petition Contractual Obligations and Contractual Obligations entered into prior to the Petition Date and assumed except to the extent that failure to comply therewith, in the aggregate, would not reasonably be expected to be adverse to the Lenders or any Loan Party in any material respect.

5.4 **Maintenance of Properties**. Parent will, and will cause each of its Subsidiaries to, maintain and preserve all of their properties which are necessary in the proper conduct of their business in working order and condition in the ordinary course of business, ordinary wear, tear, and damage by casualty and condemnation and Permitted Dispositions excepted (and except where the failure to do so could not be expected to result in a Material Adverse Effect).

5.5 **Taxes**. Parent will, and will cause each of its Subsidiaries to, timely file all material tax returns and pay in full before delinquency or before the expiration of any extension period (including any extension by virtue of the Chapter 11 Cases) relating to the payment of all material governmental assessments and Taxes with respect to periods after the Petition Date whether real, personal or otherwise, due and payable by, or imposed, levied, or assessed against it, or any of its assets, including all amounts reflected on its material tax returns, except to the extent that the validity of such governmental assessment or Tax is the subject of a Permitted Protest.

5.6 **Insurance**. Parent will, and will cause each of its Subsidiaries to, at Borrower's expense, (a) maintain insurance respecting each of Parent's and its Subsidiaries' assets wherever located, covering liabilities, losses or damages, in each case, as are customarily insured against by other Persons engaged in the same or similar businesses and similarly situated and located. All such policies of insurance shall be with financially sound and reputable insurance companies

reasonably acceptable to Agent and in such amounts as is carried generally in accordance with sound business practice by companies in similar businesses similarly situated and located and, in any event, in amount, adequacy, and scope reasonably satisfactory to Agent (it being agreed that the amount, adequacy, and scope of the policies of insurance of Borrower in effect as of the Effective Date are acceptable to Agent). All property insurance policies covering the Collateral are to be made payable to Agent for the benefit of Agent and the Lenders, as their interests may appear, in case of loss, pursuant to a standard loss payable endorsement with a standard non-contributory "lender" or "secured party" clause and are to contain such other provisions as Agent may reasonably require to fully protect the Lenders' interest in the Collateral and to any payments to be made under such policies. All certificates of property and general liability insurance are to be delivered to Agent, with the loss payable (but only in respect of Collateral) and additional insured endorsements in favor of Agent and shall provide for not less than 30 days (10 days in the case of non-payment) prior written notice to Agent of the exercise of any right of cancellation. If Parent or its Subsidiaries fail to maintain such insurance, Agent may arrange for such insurance, but at Borrower's expense and without any responsibility on Agent's part for obtaining the insurance, the solvency of the insurance companies, the adequacy of the coverage, or the collection of claims. Borrower shall give Agent prompt notice of any loss exceeding $500,000 covered by its or its Subsidiaries' casualty or business interruption insurance. Upon the occurrence and during the continuance of an Event of Default, Agent shall have the right to file claims under any property and general liability insurance policies in respect of the Collateral, to receive, receipt and give acquittance for any payments that may be payable thereunder, and to execute any and all endorsements, receipts, releases, assignments, reassignments or other documents that may be necessary to effect the collection, compromise or settlement of any claims under any such insurance policies.

5.7 **Inspection**. Parent will, and will cause each of its Subsidiaries to, permit Agent, any Lender (so long as such Lender accompanies Agent), and each of their respective duly authorized representatives or agents to visit any of its properties and inspect any of its assets or books and records, to examine and make copies of its books and records, and to discuss its affairs, finances, and accounts with, and to be advised as to the same by, its officers and employees (provided an authorized representative of Borrower shall be allowed to be present) at such reasonable times and intervals as Agent, as applicable, may designate and, so long as no Default or Event of Default has occurred and is continuing, with reasonable prior notice to Borrower and during regular business hours; provided, that so long as no Event of Default shall have occurred and be continuing, Borrower shall not be obligated to reimburse Agent for more than one (1) inspection during any calendar year. Notwithstanding anything to the contrary in this Section 5.7, none of Parent or any of its Subsidiaries will be required to disclose any such information to the extent that (i) such disclosure would in the good faith determination of Borrower (based on the advice of counsel) violate attorney-client privilege or is otherwise prohibited by law or fiduciary duty, (ii) such information constitutes attorney work, or (iii) such information is subject to confidentiality obligations to a third party (not entered into in contemplation thereof and for which Borrower is using commercially reasonable efforts to lift such confidentiality restrictions) and Agent or the Lenders (as applicable) have not executed any necessary confidentiality agreements or non-reliance letters with respect thereto.

5.8 **Compliance with Laws**. Parent will, and will cause each of its Subsidiaries to, comply with the requirements of all applicable laws, rules, regulations, and orders of any

Governmental Authority, other than laws, rules, regulations, and orders the non-compliance with which, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

5.9 **Environmental**. Parent will, and will cause each of its Subsidiaries to,

(a) keep (i) any real property that any Loan Party owns free of any Environmental Liens, other than Permitted Liens, and (ii) any real property that any Loan Party leases or operates free of any Environmental Liens, other than Permitted Liens, except in the case of each of clauses (i) and (ii) above with respect to any such Environmental Lien that could not reasonably be expected to result in a Material Adverse Effect, or where the Loan Party has posted bonds or other financial assurances sufficient to satisfy the obligations or liability evidenced by any such Environmental Liens,

(b) comply, in all respects, with Environmental Laws, obtain and maintain in full force and effect all Environmental Permits and provide to Agent documentation of any compliance or non-compliance with Environmental Laws which Agent reasonably requests, except, in each case, for any such compliance or non-compliance or failure to comply, obtain or maintain that could not reasonably be expected to result in a Material Adverse Effect,

(c) promptly notify Agent of any release of a Hazardous Material in any reportable quantity from or onto real property owned, leased or operated by any Loan Party and take any Remedial Actions with respect to such releases required to come into compliance with applicable Environmental Law, except with respect to any such releases that would not reasonably be expected to result in a Material Adverse Effect, and

(d) promptly, but in any event within 15 Business Days of its receipt thereof, provide Agent with written notice of any of the following: (i) written notice that an Environmental Lien (other than a Permitted Lien) has been filed against any of the real or personal property of any Loan Party, (ii) written notice of commencement of any Environmental Action or written notice that an Environmental Action will be filed against any Loan Party which Environmental Action could reasonably be expected to result in a Material Adverse Effect, and (iii) written notice of a violation, citation, or other administrative order arising under Environmental Laws with respect to a Loan Party, its operations or any of the real property owned, leased or operated by a Loan Party or for which a Loan Party may be liable, which could reasonably be expected to result in a Material Adverse Effect, and, in each case, to the extent failure to do so could reasonably be expected to cause a Material Adverse Effect, promptly take all action required to address and resolve such Environmental Lien, Environmental Action, violation, citation or other administrative order.

5.10 **Disclosure Updates**. Borrower will, promptly and in no event later than 10 Business Days after obtaining knowledge thereof, notify Agent if any written information, exhibit, or report furnished to the Lender Group (other than the projections, budgets, estimates, forward-looking statements, information of a general economic nature, general information about Borrower's industry or general market data), at the time it was furnished (and when taken as a whole), contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements contained therein (when taken as a whole) not materially

misleading in light of the circumstances in which made. The foregoing to the contrary notwithstanding, any notification pursuant to the foregoing provision will not cure or remedy the effect of the prior untrue statement of a material fact or omission of any material fact nor shall any such notification have the effect of amending or modifying this Agreement or any of the Schedules hereto.

5.11 **[Reserved]**.

5.12 **Further Assurances**. Subject to the limitations and exceptions on creation and perfection set forth herein and in the DIP Orders and the other DIP Loan Documents, Parent will, and will cause each of the other Loan Parties to, at any time upon the reasonable request of Agent, execute or deliver to Agent any and all financing statements, fixture filings, security agreements, pledges, assignments, mortgages, deeds of trust, opinions of counsel, and all other documents (the "Additional Documents") that Agent may reasonably request in form and substance reasonably satisfactory to Agent, to create, perfect (unless perfection is not required by the DIP Loan Documents), and continue perfected (unless perfection is not required by the DIP Loan Documents) or to better perfect (unless perfection is not required by the DIP Loan Documents) Agent's DIP Liens in all of the assets of the Loan Parties, other than Excluded Collateral (whether now owned or hereafter arising or acquired, tangible or intangible, real or personal), to create and perfect DIP Liens (subject to Permitted Liens) in favor of Agent in any Real Property acquired in fee by any Loan Party that is also subject to perfected Liens securing the ABL DIP Facility (or, if the ABL DIP Facility has been paid in full, to the extent such Real Property has a fair market value greater than $1,000,000), and in order to fully consummate all of the transactions contemplated hereby and under the other Loan Documents; provided that (i) the foregoing shall not apply to any Excluded Subsidiary, (ii) no action in any jurisdiction outside of the United States and Canada or required by the laws of any jurisdiction outside of the United States and Canada shall be required in order to create any security interests in assets located or titled outside of the United States or Canada or to perfect any security interests therein (it being understood that there shall be no security agreements or pledge agreements governed under the laws of any jurisdiction outside of the United States and Canada), (iii) no action shall be required to perfect security interests in aircraft, railcars and other assets perfected under a federal filing system (other than intellectual property), and (iv) no action shall be required to perfect any DIP Collateral as to which Agent agrees that the costs of taking such actions are excessive in relation to the benefit to the Lenders of the security to be afforded thereby (the foregoing clauses (i) through (iv) collectively, the "Excluded Actions"). Notwithstanding anything herein or in any other DIP Loan Document to the contrary, the Loan Parties shall not be required to obtain or deliver any consents or approvals from any applicable Chinese Governmental Authority in connection with its 65% pledge of the Equity Interests of Hollander China or PCF (Shanghai) Quality Management Consulting Co., Ltd. To the maximum extent permitted by applicable law, if any Loan Party refuses or fails to execute or deliver any reasonably requested Additional Documents within a reasonable period of time following the request to do so and receipt of execution versions of such Additional Documents, each Loan Party hereby authorizes Agent to execute any such Additional Documents in the applicable Loan Party's name and authorizes Agent to file such executed Additional Documents in any appropriate filing office. In furtherance of, and not in limitation of, the foregoing, each Loan Party shall take such actions as Agent may reasonably request from time to time to ensure that the DIP Facility Obligations are guaranteed by the Guarantors and are secured by substantially

all of the assets of Parent and its Subsidiaries, including all of the outstanding capital Equity Interests of Borrowers and Borrowers' Subsidiaries (subject to exceptions and limitations contained herein and in the other DIP Loan Documents on creation and perfection, including, in so far as the DIP Facility Obligations are concerned, with respect to any Subsidiary described in clause (d) of the definition of Excluded Subsidiary). Notwithstanding anything herein to the contrary, (i) none of the Borrowers shall be required to make any filing or recording in connection with any intellectual property with any jurisdiction outside the United States or Canada, and (ii) the Agent and Lenders agree that they will not require the filing of any mortgages or entry into any control agreements (other than in respect of the TL Deposit Account pursuant to Section 5.19) with respect to the Collateral on the Effective Date, it being understood and agreed that the Required Lenders may, in their reasonable discretion, at any time after the Effective Date require the satisfaction of any requirements for the granting or perfection of liens required or desirable pursuant to any foreign applicable laws, provided, however, that (x) the Loan Parties shall be given a reasonable amount of time to satisfy such requirements and (y) no such request will be made to the extent the costs and burden of doing so reasonably outweigh the benefits to be gained as reasonably determined by the Required Lenders.

5.13 **Compliance with ERISA and the IRC**. In addition to and without limiting the generality of Section 5.8, Parent will and will cause each of its Subsidiaries to, (a) comply with applicable provisions of ERISA and the IRC with respect to all Employee Benefit Plans except where the failure to do so could not reasonably be expected to result in a Material Adverse Effect, (b) without the prior written consent of Agent and the Required Lenders, not take any action or fail to take action which could reasonably be expected to result in a Loan Party or ERISA Affiliate incurring a liability to the PBGC or to a Multiemployer Plan (other than to pay contributions or premiums payable in the ordinary course) that could reasonably be expected to result in a Material Adverse Effect, (c) not allow any facts or circumstances to exist with respect to one or more Employee Benefit Plans that, in the aggregate, reasonably could be expected to result in a Material Adverse Effect, (d) not participate in any prohibited transaction that could result in a civil penalty excise tax, fiduciary liability or correction obligation under ERISA or the IRC that could reasonably be expected to result in a Material Adverse Effect, (e) operate each Employee Benefit Plan in such a manner that will not incur any tax liability under the IRC (including Section 4980B of the IRC) except where failure to do so could not reasonably be expected to result in a Material Adverse Effect, and (f) furnish to Agent upon Agent's written request such additional information about any Employee Benefit Plan for which any Loan Party or ERISA Affiliate could reasonably expect to incur any liability that could reasonably be expected to result in a Material Adverse Effect. With respect to each Pension Plan (other than a Multiemployer Plan) except as could not reasonably be expected to result in a Material Adverse Effect, the Loan Parties shall (i) satisfy in full and in a timely manner, without incurring any late payment or underpayment charge or penalty and without giving rise to any Lien, all of the material contribution and funding requirements of the IRC and of ERISA, and (ii) pay, or cause to be paid, to the PBGC in a timely manner, without incurring any material late payment or underpayment charge or penalty, all premiums required pursuant to ERISA.

5.14 **Pre-Petition Credit Enhancements**. If any Pre-Petition Term Agent or Pre-Petition Term Lender, in its capacity as such, or if the Senior ABL Facility Agent or any Senior ABL Facility Lender receives any additional guaranty after the date hereof (other than from Canadian Loan Parties (as defined in the ABL DIP Facility Agreement as in effect on the date

hereof)), the Borrower shall cause the same to be granted to the Agent, for its own benefit and the benefit of the Secured Parties (subject to the DIP Orders).

5.15 **Bankruptcy Covenants**. Notwithstanding anything in the DIP Loan Documents to the contrary, the Loan Parties shall comply with all material covenants, terms and conditions and otherwise perform all obligations set forth in the DIP Orders.

5.16 **Chapter 11 Cases**.

(a) Chapter 11 Case Documents and Notices. Each Loan Party shall deliver or cause to be delivered for review and comment, as soon as commercially reasonable, all material pleadings, motions and other documents (provided that any of the foregoing relating to the DIP Facility shall be deemed material) to be filed on behalf of the Loan Parties with the Bankruptcy Court to the Agent and its counsel. If not otherwise provided by the Bankruptcy Court's electronic docketing system, the Borrower shall provide (x) copies to the Agent of all pleadings, motions, applications, judicial information, financial information and other documents filed by or on behalf of the Loan Parties with the Bankruptcy Court, distributed by or on behalf of the Loan Parties to any Committee, filed with respect to the Chapter 11 Cases or filed with respect to any DIP Loan Document and (y) such other reports and information as the Agent may, from time to time, reasonably request. In connection with the Chapter 11 Cases, the Loan Parties shall give the proper notice for (x) the motions seeking approval of the DIP Loan Documents and the DIP Orders and (y) the hearings for the approval of the DIP Orders. The Borrower and the other Loan Parties shall give, on a timely basis as specified in the DIP Orders, all notices required to be given to all parties specified in the DIP Orders. The Borrower and the other Loan Parties shall use reasonable best efforts to obtain the Final DIP Order.

(b) Progress Calls. Starting in the first week following the Effective Date, and thereafter every other week until the payment in full in cash of the DIP Facility Obligations, Borrower and the Financial Advisor will participate in a conference call with the Agent and the Lenders and their representatives, consultants, and agents, at such mutually convenient dates and times to be proposed by Agent upon reasonable notice, and will use commercially reasonable efforts to cause available senior members of management and any investment bankers and other advisors of Parent and its Subsidiaries, as applicable or as requested by Agent or such Lenders, and solely to the extent reasonably requested by Agent, one or more members of the board of directors of Parent and its Subsidiaries, to participate in such calls for the purpose of discussing the status of the financial, collateral, and operational condition, businesses, liabilities, assets, and prospects of the Borrower and their Subsidiaries and any sale, refinance or other strategic transaction efforts; provided, that the Borrower acknowledges that such calls scheduled as frequently as once per week shall not be unreasonable. Upon Agent's reasonable request, and subject to any confidentiality restrictions, the Parent and its Subsidiaries shall promptly provide copies of all non-privileged material written materials and reports (in each case excluding drafts) produced by Parent and its Subsidiaries and shared with third parties in connection with any sale, refinance, or other strategic transaction efforts, and any written indications of interest, letters of intent and commitment letters received by Parent and its Subsidiaries relating to such sale, refinance, or other strategic transaction efforts of the Parent and its Subsidiaries; provided, that such materials may be redacted to the extent information contained therein would adversely affect any attorney-client privilege or accountant-client privilege, and further provided that only

final versions of such documents shall be provided. Without limiting the foregoing, Borrower agrees to notify Agent promptly upon Borrower becoming aware of any material change or development relating to any sale or refinance efforts or to the financial, collateral, or operational condition, businesses, assets, liabilities, or prospects of such Borrower, any of its Affiliates, or any of their respective Subsidiaries.

(c) Restructuring Proposals. Each Loan Party shall promptly deliver or cause to be delivered to the Agent and the Lenders copies of any term sheets, proposals, or presentations from any party, related to (i) the restructuring of the Loan Parties, or (ii) the sale of assets of one or all of the Loan Parties.

(d) Advisors. The Loan Parties shall continue to retain the Financial Advisor. The Loan Parties shall allow the Agent and the Lenders access to, upon reasonable notice during normal business hours in a time and manner (and with a frequency) to minimize disruption to the Loan Parties, the Financial Advisor and any other third party advisors of the Loan Parties, as applicable.

(e) Repayment of Indebtedness. Except to the extent permitted hereunder, under the DIP Orders or under the Approved Budget, no Loan Party shall, without the express prior written consent of the Agent and Required Lenders or pursuant to an order of the Bankruptcy Court after notice and a hearing, make any Pre-Petition Payment.

(f) [Reserved].

5.17 **Accounting Changes**. Parent agrees that no Subsidiary of a Loan Party will have a fiscal year different from that of Parent (unless otherwise agreed to by Agent in its reasonable discretion) and agrees to maintain a system of accounting that enables Parent to produce financial statements with respect to material financial transactions and matters involving the assets and business of Parent or any of its Subsidiaries, as the case may be, in accordance with GAAP (it being understood and agreed that certain foreign Subsidiaries may maintain individual books and records in conformity with general accepted accounting principles in their respective countries of organization and that such maintenance shall not constitute a breach).

5.18 **Use of Proceeds**. Parent will, and will cause each of its Subsidiaries to, use the proceeds of the DIP Loans only for the purposes set forth in Section 4.28.

5.19 **TL Deposit Account**. All proceeds of the DIP Loans shall be held in the TL Deposit Account. The Borrower shall use commercially reasonable efforts to enter into a Control Agreement in respect of the TL Deposit Account within 14 days of the Petition Date, which such Control Agreement shall establish "control" (as defined in the Uniform Commercial Code as in effect from time to time in the State of New York) in favor of the Agent for the benefit of the Lenders, in form and substance reasonably satisfactory to the Agent (acting at the direction of the Required Lenders).

5.20 **Budget Matters**. The Borrower hereby acknowledges and agrees that any Weekly Cash Flow Forecast provided to the Agent and the Lenders shall not amend and supplement the applicable Approved Budget until the Agent delivers a notice (which may be delivered by electronic mail) to the Borrower stating that the Agent and the Required Lenders

have approved of such Weekly Cash Flow Forecast (such approval not to be unreasonably withheld, delayed or conditioned); provided, that if the Agent does not deliver a notice of approval to the Borrower, then the existing Approved Budget shall continue to constitute the applicable Approved Budget until such time as the subject Weekly Cash Flow Forecast is agreed to among the Borrower, the Agent and the Required Lenders in accordance with this Section 5.20. Once such Weekly Cash Flow Forecast is so approved in writing by the Agent and the Required Lenders, it shall supplement or replace the prior Approved Budget, and shall thereafter constitute the Approved Budget.

6. NEGATIVE COVENANTS.

Each of Parent and Guarantors and Borrower covenants and agrees that, until termination of all of the DIP Loan Commitments and payment in full of the DIP Facility Obligations:

6.1 **Indebtedness**. Parent will not, and will not permit any of its Subsidiaries to create, incur, assume, suffer to exist, guarantee, or otherwise become or remain, directly or indirectly, liable with respect to any Indebtedness, except for Permitted Indebtedness.

6.2 **Liens**. Parent will not, and will not permit any of its Subsidiaries to create, incur, assume, or suffer to exist, directly or indirectly, any Lien on or with respect to any of its assets, of any kind, whether now owned or hereafter acquired, or any income or profits therefrom, except for Permitted Liens.

6.3 **Restrictions on Fundamental Changes**. Parent will not, and will not permit any of its Subsidiaries to,

(a) enter into any merger, consolidation, amalgamation, statutory division, reorganization, or recapitalization, or reclassify its Equity Interests;

(b) liquidate, wind up, or dissolve itself (or suffer any liquidation or dissolution), except for pursuant to a confirmed chapter 11 plan of reorganization, the terms and conditions of which are satisfactory to Agent and all Lenders and is consistent with the terms and conditions of the RSA;

(c) suspend or cease operating a material portion of its or their business, except as permitted pursuant to clauses (a) or (b) above or in connection with a transaction permitted under Section 6.4;

(d) take any action to change or have the effect of changing (i) the tax classification of Parent or any of its Subsidiaries from the classification as of the Effective Date or (ii) the legal form of Parent or Holdings; or

(e) form any new Subsidiary without Agent's prior written consent; provided, that, to the extent the Agent consents to the formation of any new Subsidiary, such new Subsidiary shall guaranty all of the DIP Facility Obligations and grant Liens on substantially all of its assets to secure the DIP Facility Obligations pursuant to documentation in form and substance acceptable to Agent.

6.4 **Disposal of Assets**. Other than Permitted Dispositions or transactions expressly permitted by Sections 6.2, 6.3, 6.7, or 6.9, Parent will not, and will not permit any of its Subsidiaries to convey, sell, lease, license, assign, transfer, or otherwise dispose of any of its or their assets.

6.5 **Nature of Business**. Parent will not, and will not permit any of its Subsidiaries to make any change in the nature of its or their business or acquire any properties or assets that are not reasonably related to the conduct of such business activities; provided, that the foregoing shall not prevent Parent and its Subsidiaries from engaging in any business that is reasonably related or ancillary to its or their business.

6.6 **Prepayments and Amendments**. Parent will not, and will not permit any of its Subsidiaries to,

(a) make any prepayment on account of Indebtedness that has been contractually subordinated in right of payment or security to the DIP Facility Obligations if such payment is not permitted at such time under the subordination terms and conditions applicable thereto, or

(b) directly or indirectly, amend, modify, or change any of the terms or provisions of:

(i) the Governing Documents of any Loan Party or any of its Subsidiaries if the effect thereof, either individually or in the aggregate, could reasonably be expected to be materially adverse to the interests of the Lenders;

(ii) the Management Services Agreement, in each case, except any such amendment, modification, alteration, increase, or change that, as a whole, is more favorable to Loan Parties; provided, however, that no such amendment, modification, alteration, increase or change to the Management Services Agreement shall increase the amount of fees payable thereunder,

(iii) the ABL DIP Facility Documents or the Senior ABL Facility Documents except in accordance with the Intercreditor Agreement.

6.7 **Restricted Payments**. Parent will not make any Restricted Payment, except:

(a) distributions by Parent to, or the making of loans to, any direct or indirect equity owner of Parent in amounts required for any direct or indirect equity owner to pay: (i) franchise and excise taxes (not in the nature of income taxes), and other fees and expenses, required to maintain its organizational existence, (ii) subject to the terms of Section 6.10(c), operating costs and expenses and other corporate overhead costs and expenses (including (A) administrative, legal, accounting, filing and similar expenses and (B) salary, bonus and other benefits payable to officers and employees of Parent or any direct or indirect parent company of Parent), in each case to the extent such costs, expenses, fees, salaries, bonuses and benefits are attributable to the ownership or operations of Parent and its Subsidiaries, are reasonable and incurred in the ordinary course of business for the benefit of Parent and its Subsidiaries, and (iii) the payments described in Section 6.10(c),

(b) Restricted Payments required in connection with the DIP Orders, and

(c) Borrower, HHFH and each of their Subsidiaries may make Permitted Tax Distributions to Parent.

6.8 **Accounting Methods**. Parent will not, and will not permit any of its Subsidiaries to modify or change its fiscal year, fiscal quarter, or its method of accounting (other than (i) as may be required to conform to GAAP or (ii) to the extent consented to by Agent (such consent not to be unreasonably withheld, conditioned or delayed)).

6.9 **Investments**. Parent will not, and will not permit any of its Subsidiaries to, directly or indirectly, make or acquire any Investment except for Permitted Investments.

6.10 **Transactions with Affiliates**. Parent will not, and will not permit any of its Subsidiaries to, directly or indirectly, enter into or permit to exist any transaction or series of related transactions with any Affiliate of Parent or any of its Subsidiaries except for:

(a) any existing transactions between Parent or its Subsidiaries, on the one hand, and any Affiliate of Parent or Parent's Subsidiaries, on the other hand, entered into prior to the Effective Date and any payments made pursuant thereto (other than to direct or indirect holders of Equity Interests in the Parent) to the extent permitted hereunder and made in accordance with the Approved Budget, provided (i) that the terms of such Affiliate Transaction are not less favorable, taken as a whole, to Parent or the applicable Subsidiary, as the case may be, than those that could be obtained at the time in a transaction with a Person who is not such an Affiliate, and (ii) no payments shall be permitted under the Management Services Agreement;

(b) so long as it has been approved by Parent's or its applicable Subsidiary's Board of Directors in accordance with applicable law, any indemnity provided for the benefit of directors (or comparable managers) of Parent, any direct or indirect parent of Parent or the applicable Subsidiary of Parent;

(c) so long as it has been approved by Parent's or its applicable Subsidiary's Board of Directors in accordance with applicable law, to the extent set forth in the Approved Budget, the payment of reasonable compensation, insurance, expense reimbursement, indemnity (other than with respect to directors (or other comparable managers)), severance, and employee benefit arrangements to employees, individual contractors, officers, and directors (or comparable managers) of Parent, any direct or indirect parent of Parent or the applicable Subsidiaries of Parent in the ordinary course of business and consistent with industry practice;

(d) transactions permitted by Section 6.3, Section 6.4, Section 6.7 or any Permitted Intercompany Advance;

(e) Borrower shall be permitted to maintain any existing transactions (such transactions, "Affiliate Transactions") entered into prior to the Effective Date and any payments made pursuant thereto to the extent permitted hereunder and made in accordance with the Approved Budget; provided (i) that the terms of such Affiliate Transaction are not materially less favorable to the Borrower or such Subsidiary, as the case may be, than those that could be obtained at the time in a transaction with a Person who is not such an Affiliate and (ii) no

payments shall be permitted under the Management Services Agreement, (b) for any transaction between or among any of the Borrower or one or more Loan Parties, and (c) the Related Transactions, or any amendments or modifications thereto and permitted hereby, and any payments made pursuant thereto to the extent permitted hereunder and made in accordance with the Approved Budget;

(f) any Loan Party may enter into transactions with any other Loan Party to the extent not otherwise prohibited hereunder;

(g) any Subsidiary that is not a Loan Party may enter into transactions with any other Subsidiary that is not a Loan Party or any Affiliate thereof (other than any Loan Party) to the extent not otherwise prohibited hereunder;

(h) transactions between any Loan Party, on the one hand, and any Canadian Loan Party (as defined in the ABL DIP Facility Documents), on the other hand (i) permitted under clause (g) of the definition of Permitted Dispositions and (ii) so long as such transactions are no less favorable, taken as a whole, to such Loan Party, than would be obtained in an arm's length transaction with a non-Affiliate and to the extent not otherwise prohibited hereunder;

(i) transactions in existence on the Effective Date set forth on Schedule 6.10, and

(j) the transactions contemplated by the Existing Participation Agreement (as defined in the ABL DIP Facility Documents), the Participation Agreement (as defined in the ABL DIP Facility Documents), the Participation Put Agreement (as defined in the ABL DIP Facility Documents), and the acquisition of a participation interest in the ABL DIP Obligations pursuant to the terms of the Participation Agreement (as defined in the ABL DIP Facility Documents).

Except for Permitted Intercompany Advances, as otherwise expressly permitted under this Agreement, and as set forth on Schedule 6.10, (i) no Loan Party shall enter into any transaction with, make any loan, advance or other Investment in, or otherwise transfer any property to any Subsidiary of Parent that is not a Loan Party and (ii) no Loan Party shall enter into any transaction with, make any loans, advances or other Investments in, or otherwise transfer any property constituting Term Loan Priority Collateral to any Canadian Loan Party (as defined in the ABL DIP Facility Documents). Notwithstanding anything to the contrary in this Section 6.10, no payments shall be permitted under the Management Services Agreement.

6.11 **Use of Proceeds**. Parent will not, and will not permit any of its Subsidiaries to use the proceeds of any DIP Loan made hereunder for any purpose other than as set forth in Section 4.28.

6.12 **Limitation on Issuance of Equity Interests**. No Loan Party will issue or sell or enter into any agreement or arrangement for the issuance or sale of any of its Equity Interests other than a proposed debt-for-equity exchange to be authorized by an order confirming a chapter 11 plan of reorganization in the Chapter 11 Cases, the terms and conditions of which comply with the RSA.

6.13 **Parent Guarantors as Holding Companies**. No Parent Guarantor will (a) incur any material liabilities (other than (i) liabilities arising under the DIP Loan Documents, the ABL DIP Facility Documents (or any agreement otherwise permitted hereunder and under the Intercreditor Agreement refinancing any of the facilities made pursuant to the ABL DIP Facility Documents in whole or in part), including Existing Secured Obligations under (and as defined in) the ABL DIP Facility Documents, and the Equity Documents, in each case to which it is a party, (ii) guarantees of leases and trade contracts in the ordinary course of business, (iii) liabilities arising under agreements with respect to Investments expressly permitted hereunder, (iv) indemnification obligations under the PCF Acquisition Agreement (as defined in the ABL DIP Facility Documents), (v) other Indebtedness permitted to be incurred by Parent Guarantors pursuant to Section 6.1, (vi) Tax liabilities, (vii) obligations under or in connection with the transaction contemplated herein, (viii) liabilities under the Management Services Agreement, and (ix) liabilities under employment or engagement agreements or agreements with employees, officers and directors)), (b) own or acquire any assets (other than (i) the Equity Interests of its Subsidiaries, (ii) immaterial assets which in the aggregate have de minimis value, (iii) contractual rights incidental or related to maintenance of its organizational existence and the issuance of its Equity Interests, (iv) Investments expressly permitted by Section 6.9 and contractual rights with respect thereto, (v) rights under or incidental to the PCF Acquisition Agreement (as defined in the ABL DIP Facility Documents), and (vi) rights under insurance policies) or (c) engage itself in any operations or business, except (i) in connection with its ownership of its Subsidiaries and its rights and obligations under the DIP Loan Documents, the ABL DIP Facility Documents (or any agreement otherwise permitted hereunder and under the Intercreditor Agreement refinancing any of the facilities made pursuant to the ABL DIP Facility Documents in whole or in part) and the Equity Documents, in each case to which it is a party (and activities incidental or related thereto), and (ii) activities incidental or related to holding the assets or incurring the liabilities permitted by this Section 6.13 and the maintenance of its organizational existence and the issuance of its Equity Interests.

6.14 **Sale and Leaseback Transactions**. Parent will not, and will not permit any of its Subsidiaries to, enter into any arrangement, directly or indirectly, whereby it shall sell or transfer any property, real or personal, used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property that it intends to use for substantially the same purpose or purposes as the property sold or transferred.

6.15 **Employee Benefits**.

Parent will not, and will not permit any of its Subsidiaries to:

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

(b) Subject to the DIP Orders, fail to make, or permit any ERISA Affiliate to fail to make, full payment when due of all amounts which, under the provisions of any Benefit Plan, agreement relating thereto or applicable Law, any Loan Party or ERISA Affiliate is required to pay if such failure could reasonably be expected to have a Material Adverse Effect.

(c) Permit to exist, or allow any ERISA Affiliate to permit to exist, any accumulated funding deficiency within the meaning of section 302 of ERISA or section 412 of the Code, whether or not waived, with respect to any Plan which exceeds $500,000 with respect to all Pension Plans in the aggregate which could reasonably be expected to result in a liability which exceeds $500,000 to any Loan Party.

(d) Maintain, sponsor, administer, contribute to, participate in or assume or incur any liability in respect of any Canadian Defined Benefit Plan.

(e) Terminate, or permit any Loan Party or Subsidiary thereof to terminate any Canadian Pension Plan in a manner, or take any other action with respect to any Canadian Pension Plan, which could reasonably be expected to result in any material liability of any Loan Party or a Subsidiary thereof.

(f) Subject to the DIP Orders, fail to make, or permit any Subsidiary to fail to make, full payment when due of all amounts which, under the provisions of any Canadian Benefit Plan, agreement relating thereto or applicable Law, any Loan Party or Subsidiary thereof is required to pay if such failure could reasonably be expected to have a Material Adverse Effect.

6.16 **Burdensome Agreements**.

Parent will not, and will not permit any of its Subsidiaries to, enter into any contractual obligation that: limits the ability (x) of any Subsidiary to make loans, advances, or Restricted Payments to any Loan Party; (y) of any Subsidiary to guarantee the DIP Facility Obligations under the DIP Loan Documents or (z) of Parent or any of its Subsidiaries to create, incur, assume or suffer to exist Liens on property of such Person to secure the DIP Facility Obligations of the Loan Parties under the DIP Loan Documents, other than, in each case limitations and restrictions:

(a) set forth in this Agreement and any other DIP Loan Document;

(b) set forth in the ABL DIP Facility Documents (including Existing Secured Obligations under (and as defined in) the ABL DIP Facility Document) as in effect on the date hereof or as modified in accordance with the Intercreditor Agreement (or in any agreement otherwise permitted hereunder and under the Intercreditor Agreement which refinances any of the facilities made pursuant to the ABL DIP Facility Documents in whole or in part),

(c) on subletting or assignment of any leases or licenses of Parent or any Subsidiary or on the assignment of a contractual obligation or any rights thereunder or any other customary non-assignment provisions, in each case entered into in the ordinary course of business,

(d) set forth in contractual obligations for the disposition of assets (including any Equity Interests in any Subsidiary and including pursuant to any sale and leaseback transactions permitted hereunder) of Parent or any Subsidiary of Parent; provided, such restrictions and conditions apply only to the assets or Subsidiary that is to be sold and cease to apply upon the consummation of such sale,

(e) set forth in any contractual obligation governing Indebtedness permitted under clauses (a), (b), (f), (g), (i) and (t) of the definition of "Permitted Indebtedness",

(f) with respect to cash or other deposits (including escrowed funds) received by Parent or any Subsidiary in the ordinary course of business and assets subject to Liens permitted by under clauses (k), (p), (r), (t), (v) and (y) of the definition of "Permitted Lien", or

(g) set forth in joint venture agreements and other similar agreements concerning joint ventures and applicable solely to such joint venture and that restrict the transfer of Equity Interests in such joint venture.

6.17 **Sanctions**. Parent will not, and will not permit any of its Subsidiaries to, knowingly permit the proceeds of any DIP Loan to be used to fund any operations in, finance any investments or activities in, or make any payments to, a Sanctioned Person or a Sanctioned Entity, in each case, that would constitute a violation of applicable Laws.

6.18 **Chapter 11 Claims**. Except for the Carve-Out and Permitted Priority Liens and as provided in the DIP Orders, Parent will not, and will not permit any of its Subsidiaries to, directly or indirectly, incur, create, assume, suffer to exist or permit any administrative expense claim or Lien that is pari passu with or senior to the claims or DIP Liens, as the case may be, of the Agent and the Lenders against the Loan Parties hereunder or under the DIP Orders, or apply to the Bankruptcy Court for authority to do so. Parent will not, and will not permit any of its Subsidiaries to, directly or indirectly, (a) seek, support, consent to or suffer to exist any modification, stay, vacation or amendment of any DIP Order except for any modifications and amendments agreed to in writing by the Agent and the Required Lenders, such agreement to be made in their sole discretion, or (b) apply to the Bankruptcy Court for authority to take any action prohibited by this Section 6 (except to the extent such application and the taking of such action is conditioned upon receiving the written consent of the Agent and the Required Lenders, such consent not to be unreasonably withheld, delayed or conditioned).

6.19 **Compliance with Approved Budget**.

(a) Except as otherwise provided herein or approved by the Agent (at the direction of the Required Lenders, in their sole discretion), the Loan Parties will not, and will not permit any Subsidiary thereof to, directly or indirectly, (a) use any cash, including the proceeds of any DIP Loans, in a manner or for a purpose other than those permitted under this Agreement or contemplated by the DIP Orders or the Approved Budget, (b) permit a disbursement causing any variance from the Approved Budget other than Permitted Variances without the prior written consent of the Agent (at the direction of the Required Lenders, in their sole discretion), (c) make any Pre-Petition Payment or application for authority to make any Pre-Petition Payment, other than those permitted by this Agreement, the DIP Orders or the Approved Budget, (d) make or commit to make payments to critical vendors (other than those critical vendors set forth in the DIP Orders or in the Approved Budget, in each case as approved in writing by the Agent at the direction of the Required Lenders) in respect of any pre-petition amount in excess of the amount included in the Approved Budget, (e) measured as of the end of each Testing Period, permit the aggregate cumulative amount of actual cash disbursements (in any event excluding disbursements for professional fees and expenses and restructuring expenses) as reported in the

Variance Reports delivered with respect to periods ending after the Petition Date through the end of such Testing Period to exceed, by more than the applicable Permitted Variance, the aggregate cumulative corresponding amount forecast in the Approved Budget for the same such period, (f) measured as of the end of each Testing Period, permit the aggregate cumulative amount of actual cash receipts (which shall exclude, for the avoidance of doubt, proceeds from borrowings of DIP Loans) as reported in the Variance Reports delivered with respect to periods ending after the Effective Date through the end of such Testing Period to be less than, by more than the applicable Permitted Variance, the aggregate cumulative corresponding amount (which shall exclude, for the avoidance of doubt, proceeds from borrowings of DIP Loans) forecast in the Approved Budget for the same such period, and (g) measured as of the end of each Testing Period, permit the aggregate cumulative amount of actual net cash flow (in any event excluding from the calculation thereof disbursements for professional fees and expenses and restructuring expenses) as reported in the Variance Reports delivered with respect to periods ending after the Petition Date through the end of such Testing Period to exceed, by more than the applicable Permitted Variance, the aggregate cumulative corresponding amount forecast in the Approved Budget for the same such period; and

(b) [Reserved].

6.20 **[Reserved]**.

6.21 **Use of DIP Collateral**. No DIP Collateral, proceeds of DIP Loans, portion of the Carve-Out or any other amounts may be used directly or indirectly by any of the Loan Parties, the Committee, if any, or any trustee or other estate representative appointed in the Chapter 11 Cases (or any successor case) or any other person or entity for any of the following purposes (or to pay any professional fees, disbursements, costs or expenses incurred in connection therewith):

(a) to seek authorization to obtain Liens or security interests that are senior to, or on a parity with, the DIP Loans (except for the loans advanced under the ABL DIP Facility); or

(b) except as provided in the DIP Orders, to investigate (including by way of examinations or discovery proceedings), prepare, assert, join, commence, support or prosecute any action for any claim, counter-claim, action, proceeding, application, motion, objection, defense, or other contested matter seeking any order, judgment, determination or similar relief against, or adverse to the interests of, in any capacity, any of the Agent, the Lenders, the Pre-Petition Term Agent, the Pre-Petition Term Lenders, the Senior ABL Facility Agent, the Senior ABL Facility Lenders, the ABL DIP Agent, the ABL DIP Lenders and any of their controlling persons, affiliates or successors or assigns, and each of the respective officers, directors, employees, agents, attorneys, or advisors of each of the foregoing, with respect to any transaction, occurrence, omission, action or other matter (including formal discovery proceedings in anticipation thereof), including (A) any claims or causes of action arising under Chapter 5 of the Bankruptcy Code, (B) any so-called "lender liability" claims and causes of action, (C) any action with respect to the validity, enforceability, priority and extent of, or asserting any defense, counterclaim, or offset to, the DIP Facility Obligations, the DIP Liens hereunder, the DIP Loan Documents, the Pre-Petition Term Obligations, the Pre-Petition Term Facility Documents, the Pre-Petition Term Obligations, the Superpriority Claims, the ABL DIP

Facility Documents, the ABL DIP Obligations or the liens granted under the ABL DIP Facility, (D) any action seeking to invalidate, modify, set aside, avoid or subordinate, in whole or in part, the DIP Facility Obligations, the Pre-Petition Term Obligations or the ABL DIP Obligations, (E) any action seeking to modify any of the rights, remedies, priorities, privileges, protections and benefits granted to either (1) the Agent or the Lenders hereunder or under any of the DIP Loan Documents, (2) the Pre-Petition Term Agents or the Pre-Petition Term Lenders any of the Pre-Petition Term Facility Documents or (3) the ABL DIP Agent or the ABL DIP Lenders under any of the ABL DIP Facility Documents (in each case, including claims, proceedings or actions that might prevent, hinder or delay any assertions, enforcements, realizations or remedies on or against the DIP Collateral by any of the Agent, the Lenders, the Secured Parties, the Pre-Petition Term Agents, the Pre-Petition Term Lenders, the ABL DIP Agent or the ABL DIP Lenders under any of the Pre-Petition Term Facility Documents in accordance with the applicable DIP Loan Documents, Pre-Petition Term Facility Loan Documents, ABL DIP Facility Documents and the DIP Orders, as applicable), or (F) objecting to, contesting, or interfering with, in any way, the Agent's, the Lenders' and the Secured Parties' enforcement or realization upon any of the DIP Collateral once an Event of Default has occurred; provided, however, that no more than $50,000 in the aggregate of the DIP Collateral, the Carve-Out or proceeds of the DIP Loans may be used by the Committee to investigate such claims and/or Liens.

6.22 **Access to TL Deposit Account**. Parent will not, and will not permit any of its Subsidiaries to, withdraw funds from the TL Deposit Account after the occurrence and during the continuance of a Default or Event of Default. Withdrawals from TL Deposit Account shall only be used for the permitted purposes described in Section 4.28. Under no circumstances may any cash, funds, securities, financial assets or other property held in or credited to the TL Deposit Account or the proceeds thereof held therein or credited thereto be used for any purpose not permitted under the DIP Orders.

7. [RESERVED].

8. EVENTS OF DEFAULT.

Notwithstanding the provisions of Section 362 of the Bankruptcy Code and without notice, application or motion to, hearing before, or order of the Bankruptcy Court or any notice to any Credit Party, any of the following from and after the Effective Date shall constitute an "Event of Default", with the exception of any such event occasioned by the filing of the Chapter 11 Cases and defaults resulting from obligations with respect to which the Bankruptcy Code prohibits any Loan Party from complying or permits any Loan Party not to comply with the requirements referenced in the subsections below:

8.1 **Payments**. The Borrower shall fail to pay any principal of any DIP Loan when due in accordance with the terms hereof (whether at stated maturity, by mandatory prepayment or otherwise); or the Borrower shall fail to pay any interest on any DIP Loan, or any other amount payable hereunder, within two (2) Business Days after any such interest or other amount becomes due in accordance with the terms hereof.

8.2 **Representations and Warranties**. Any representation or warranty made or deemed made by any Loan Party herein or in any other DIP Loan Document (or in any

amendment, modification or supplement hereto or thereto) or which is contained in any certificate furnished at any time by or on behalf of any Loan Party pursuant to this Agreement or any such other DIP Loan Document shall prove to have been incorrect in any material respect on or as of the date made or deemed made.

8.3 **Loan Parties**. Any Loan Party or any Subsidiary of a Loan Party (a) shall default in the payment, observance or performance of any term, covenant or agreement contained in Section 5.1, Section 5.2(a) or Section 6; or (b) shall default in the observance or performance of any other agreement contained in this Agreement or any other DIP Loan Document (other than as provided in Sections 8.1, 8.2 and 8.3(a)), and such default shall continue unremedied for a period of 30 days after the earlier of (A) the date on which a Responsible Officer of the Borrower becomes aware of such failure and (B) the date on which written notice thereof shall have been given to the Borrower by the Agent or the Required Lenders.

8.4 **Default Under Other Agreements**.

(a) Any Loan Party or any of its Subsidiaries shall (i) default in (x) any payment of principal of or interest on (A) the ABL DIP Facility or (B) any Indebtedness (excluding the DIP Loans) in excess of $1,000,000, or (y) the payment of (A) any Guarantee Obligation in respect of the ABL DIP Facility or (B) any Guarantee Obligation in excess of $1,000,000 in each case referred to in this clause (i) beyond the period of grace, if any, provided in the instrument or agreement under which such Indebtedness or Guarantee Obligation was created, it being understood that Indebtedness and Guaranteed Obligations referred to in this clause (i) are limited solely to those not subject to stay of proceedings in the Chapter 11 Cases; or (ii) default in the observance or performance of any other agreement or condition relating to any Indebtedness (excluding the DIP Loans) or Guarantee Obligation referred to in clause (i) above 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 holders of such Indebtedness or beneficiary or beneficiaries of such Guarantee Obligation (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice or lapse of time if required, such Indebtedness to become due prior to its stated maturity or such Guarantee Obligation to become payable (an "Acceleration"), and such time shall have lapsed and, if any notice (a "Default Notice") shall be required to commence a grace period or declare the occurrence of an event of default before notice of Acceleration may be delivered, such Default Notice shall have been given and such default shall not have been remedied or waived by or on behalf of such holder or holders; provided that the foregoing shall not apply to (A) any default under Indebtedness existing prior to the Petition Date and which has been accelerated by virtue of the filing of the Chapter 11 Cases, (B) any default due to Borrowers' filing, commencement and continuation of the Chapter 11 Cases and any litigation arising therefrom or (C) any default due to restrictions on payments arising as a result of the Chapter 11 Cases; and provided, further, that if any such default or event of default has been cured, waived or is otherwise no longer in existence, the Event of Default arising under this Section 8.4 shall be deemed to be cured, waived and no longer in existence).

(b) Notwithstanding anything in this Section 8.4 to the contrary, to the extent a payment or covenant "Event of Default" (as defined in the ABL DIP Facility Agreement) is

waived in accordance with the ABL DIP Facility Agreement on or after the Effective Date, any such waiver shall automatically result in a waiver of any Event of Default under Section 8.4 hereof in respect of such payment or covenant "Event of Default", solely to the extent Agent has not taken any enforcement action in respect of such Event of Default under Section 8.4 hereunder.

8.5 **Material Adverse Effect**. There shall have occurred after the Effective Date an event which has resulted in a Material Adverse Effect.

8.6 **Change in Control**. A Change of Control shall have occurred.

8.7 **Security Documents**. (i) Any of the DIP Loan Documents shall cease for any reason to be in full force and effect (other than pursuant to the terms hereof or thereof), or any Loan Party which is a party to any such DIP Loan Document shall so assert in writing, (ii) the guarantee of the Guarantors contained in the Guaranty and Security Agreement shall cease, for any reason, to be in full force and effect, other than pursuant to the terms thereof or as a result of acts or omissions from the Lenders, or (iii) the DIP Lien created by any of the Security Documents and the DIP Orders shall cease to be perfected and enforceable in accordance with its terms or of the same effect as to perfection and priority purported to be created thereby with respect to any significant portion of the DIP Collateral (other than in connection with any termination of such DIP Lien in respect of any DIP Collateral as permitted hereby or by any Security Document) and such failure of such DIP Lien to be perfected and enforceable with such priority shall have continued unremedied for a period of twenty (20) days.

8.8 **Loan Documents**. Any material provision of any DIP Loan Document shall at any time for any reason be declared to be null and void, or the validity or enforceability of any provision shall be contested by any Loan Party, or a proceeding shall be commenced by any Loan Party, or by any Governmental Authority having jurisdiction over any Loan Party, seeking to establish the invalidity or unenforceability thereof, or any Loan Party shall deny that it has any liability or obligation purported to be created under any DIP Loan Document;

8.9 **Termination Events; Milestones**. The occurrence of any of the following in any Chapter 11 Case (each, a "Termination Event"):

(a) The reversal, vacatur or stay of the effectiveness of the Interim DIP Order or the Final DIP Order without the express prior written consent of the Agent (acting at the direction of the Required Lenders);

(b) Without the written consent of the Agent acting at the direction of the Required Lenders, (A) an order with respect to any of the Chapter 11 Cases shall be entered by the Bankruptcy Court ordering dismissal of any of the Chapter 11 Cases or conversion of any of the Chapter 11 Cases to chapter 7 cases, or appointment of a chapter 11 trustee or examiner with enlarged powers relating to the operation of the business of the Borrower or any Guarantor in any of the Chapter 11 Cases, which dismissal, conversion or appointment shall not have been reversed, stayed or vacated within three (3) days, (B) an order with respect to any of the Chapter 11 Cases shall be entered by the Bankruptcy Court ordering termination of the exclusive period for the Loan Parties to file a Plan in the Chapter 11 Cases, or (C) the Loan Parties shall seek or

request the entry of any order to effect any of the events described in subclause (A) of this clause (ii);

(c) The entry by the Bankruptcy Court of an order granting relief from the automatic stay imposed by Section 362 of the Bankruptcy Code sought by any party that affects the Loan Parties' property (including, without limitation, to permit foreclosure or enforcement on the DIP Collateral) with a fair market value in excess of $500,000 without the written consent of the Agent (which consent shall not be unreasonably withheld, delayed or conditioned);

(d) Three (3) Business Days after written notice to the Loan Parties of the failure by the Loan Parties to deliver to the Agent any of the documents or other written information required to be delivered pursuant to the DIP Orders when due (during which time the Loan Parties may cure) or any such documents or other written information shall contain a misrepresentation of a material fact when made so as to make the written information provided to the Agent and the Lenders, taken as a whole, materially misleading;

(e) Except as set forth herein, the failure by the Loan Parties to observe or perform any of the material terms or provisions contained in the DIP Orders in any respect adverse to the interests of the Lenders;

(f) The entry of an order of the Bankruptcy Court granting any lien on or security interest in any of the DIP Collateral that is pari passu with or senior to the DIP Liens held by the Agent on or as security interests in the DIP Collateral, the Adequate Protection Liens, the Superpriority Claims or the Pre-Petition Term Liens, in each case, other than any Liens in connection with any Permitted Intercompany Advances authorized by the DIP Orders, or the Loan Parties and any of their Subsidiaries shall seek or request (or support another party in the filing of) the entry of any such order, other than the ABL DIP Facility;

(g) The Loan Parties' creating or permitting to exist any other superpriority claim which is pari passu with or senior to the claims of the Agent and the Lenders, the Adequate Protection Liens, the Superpriority Claims or the Pre-Petition Term Liens, except for the Carve-Out, the liens securing the Senior ABL Facility, the liens securing the ABL DIP Facility, and any Liens in connection with any Permitted Intercompany Advances authorized by the DIP Orders;

(h) The Parent or any of its Subsidiaries filing a pleading, or in any way support another party's pleading, seeking to modify or otherwise alter any of the terms and conditions set forth in the DIP Orders in any respect adverse to the interests of the Lenders without the prior written consent of the Agent (acting at the direction of the Required Lenders), such consent to be given in its sole discretion;

(i) The entry of an order of the Bankruptcy Court amending, supplementing or otherwise altering any of the terms and conditions set forth in the DIP Orders in any respect adverse to the interests of the Lenders without the prior written consent of the Agent (acting at the direction of the Required Lenders), such consent to be given in its sole discretion;

(j) The Parent or any of its Subsidiaries using the proceeds of the DIP Facility for any item other than in compliance with Section 6.19 other than the Carve-Out, or makes any Pre-Petition Payment (other than the obligations under the Senior ABL Facility as contemplated

by the ABL DIP Facility and the DIP Orders or under the Approved Budget), in each case except as agreed in writing in advance by the Agent (acting at the direction of the Required Lenders);

(k) Any of the Loan Parties or their Subsidiaries (or any party with the support of any of the Loan Parties) shall file a Plan in any of the Chapter 11 Cases that does not propose to indefeasibly repay the DIP Facility Obligations in full in cash, unless otherwise consented to by the Agent (acting at the direction of the Required Lenders) (such consent to be given in its sole discretion (it being agreed that such consent is deemed given with respect to the Plan attached to the RSA));

(l) Any uninsured judgments are entered with respect to any post-petition liabilities against any of the Loan Parties or any of their respective properties in a combined aggregate amount in excess of $200,000 unless stayed, vacated or satisfied for a period of twenty (20) calendar days after entry thereof;

(m) The failure of the Loan Parties to meet any of the following milestones (individually a "Milestone" and collectively, the "Milestones") unless extended or waived by the prior written consent of the Agent and the Required Lenders (such consent not to be unreasonably withheld, delayed or conditioned), except to the extent such failure is reasonably the result of Bankruptcy Court unavailability:

(i) The Interim DIP Order shall have been entered by the Bankruptcy Court on or before two (2) Business Days following the date of the First Day Hearing;

(ii) On or before the date that is 7 days following the Petition Date, the Loan Parties shall have filed a motion requesting an order from the Bankruptcy Court approving bid procedures relating to the solicitations of qualified bids for the sale of substantially all of the Loan Parties' assets and business (the "Bidding Procedures"), which motion and Bidding Procedures shall each be in form and substance reasonably satisfactory to Agent (it being agreed that the proposed bidding procedures order filed with the Bankruptcy Court on the Petition Date is satisfactory to the Agent);

(iii) The Final DIP Order shall have been entered by the Bankruptcy Court on or before forty (40) days following the date of the First Day Hearing;

(iv) Within forty (40) calendar days of the Petition Date, but in any event no later than entry of the Final DIP Order, the Loan Parties shall file a plan of reorganization (the "Proposed Plan"), and a disclosure statement relating to such Plan (the "Disclosure Statement"), in each case, in form and substance reasonably satisfactory to the Agent (acting at the direction of the Required Lenders) (it being agreed that the plan of reorganization in the

form attached to the RSA is satisfactory to the Agent and the Lenders);

(v) No later than forty-five (45) calendar days after the Petition Date, the Loan Parties shall have filed their Schedules and Statement of Financial Affairs pursuant to Section 521 of the Bankruptcy Code and Rule 1007 of the Federal Rules of Bankruptcy Procedure with the Bankruptcy Court;

(vi) No later than forty-five (45) calendar days after the Petition Date the Bankruptcy Court shall have entered an order setting the date (the "Bar Date") by which proofs of claim for general unsecured creditors must be filed;

(vii) On or before the date that is 45 days following the Petition Date, the Bankruptcy Court shall have entered an order approving the Bidding Procedures, in form and substance reasonably satisfactory to the Agent (acting at the direction of the Required Lenders) (it being agreed that the proposed bidding procedures order filed with the Bankruptcy Court on the Petition Date is satisfactory to the Agent at the direction of the Required Lenders);

(viii) The Bar Date shall have occurred on or before seventy-five (75) days following the Petition Date;

(ix) No later than seventy-five (75) calendar days after the Petition Date, the Bankruptcy Court shall have entered an order approving the Disclosure Statement and voting and solicitation procedures for the Proposed Plan in form and substance reasonably satisfactory to the Agent (acting at the direction of the Required Lenders);

(x) No later than one hundred ten (110) calendar days after the Petition Date, the Bankruptcy Court shall have entered an order, in form and substance reasonably satisfactory to the Agent (acting at the direction of the Required Lenders) confirming the Proposed Plan (such date, the "Confirmation Date");

(xi) No later than the Confirmation Date, Borrower shall have entered into a commitment letter reasonably acceptable to the Agent with respect to the funding of an exit asset-backed credit facility; and

(xii) No later than one hundred twenty days (120) calendar days after the Petition Date, the Plan Effective Date shall have occurred.

(n) Any Loan Party asserts a right of subrogation or contribution against any other Loan Party prior to the date upon which all DIP Loans under the DIP Facility have been paid in full and all DIP Loan Commitments have been terminated;

(o) Any Loan Party shall seek to sell any of its assets that are Term Loan Priority Collateral outside the ordinary course of business, unless (i) the proceeds of such sale are used to indefeasibly pay the DIP Facility Obligations in full in cash unless such sale is consented to by the Agent (acting at the direction of the Required Lenders), or (ii) such sale is pursuant to bidding procedures approved by the Agent (acting at the direction of the Required Lenders);

(p) The Parent or any of its Subsidiaries (or any party with the support of any of the Parent or any of its Subsidiaries) shall challenge the validity or enforceability of any of the DIP Loan Documents or the Pre-Petition Term Facility Documents;

(q) Upon the consummation of a sale of all or substantially all of the Loan Parties' assets pursuant to Section 363 of the Bankruptcy Code, unless (i) the proceeds of such sale are applied to indefeasibly satisfy in full the DIP Facility Obligations or (ii) such sale is consented to by the Agent (acting at the direction of the Required Lenders);

(r) Payment of or granting adequate protection with respect to any Indebtedness that was existing prior to the Petition Date other than as expressly provided in the DIP Orders or permitted under the Intercreditor Agreement or as consented to by the Agent (acting at the direction of the Required Lenders).

8.10 **RSA**. The termination of the RSA by any party thereto.

8.11 **ERISA**. The occurrence of any of the following events to the extent it would have a Material Adverse Effect: (a) any Loan Party or ERISA Affiliate fails to make full payment when due of all amounts which any Loan Party or ERISA Affiliate is required to pay as contributions, installments, or otherwise to or with respect to a Pension Plan or Multiemployer Plan, and such failure could reasonably be expected to result in liability to any Loan Party, (b) an accumulated funding deficiency or funding shortfall occurs or exists, whether or not waived, with respect to any Pension Plan, which could reasonably be expected individually or in the aggregate to result in liability to any Loan Party, (c) a Notification Event, which could reasonably be expected to result in liability to a Loan Party, either individually or in the aggregate, (d) any Loan Party or ERISA Affiliate completely or partially withdraws from one or more Multiemployer Plans and as a result of such withdrawal, any Loan Party would reasonably be expected to incur Withdrawal Liability, (e) any Loan Party or Subsidiary thereof fails to make full payment when due of all amounts which any Loan Party or Subsidiary thereof is required to pay as contributions, installments, or otherwise to or with respect to a Canadian Pension Plan, and such failure could reasonably be expected to result in liability to any Loan Party, or (f) with respect to (x) any Canadian Pension Plan, the occurrence of any Canadian Pension Termination Event or (y) if any trust, deemed trust or Lien has been or may be imposed on a Loan Party or Subsidiary thereof or its property as a result of the occurrence of such event and such trust, deemed trust or Lien, and in each case will or would reasonably be likely to result in a liability to the Loan Parties.

8.12 **Permitted Variances**. Permitted Variances under the Approved Budget are exceeded for any period of time.

8.13 **ABL DIP Facility**. The ABL DIP Agent and/or the Senior ABL Facility Agent imposes a reserve or block on availability of revolving loans in excess of $1,500,000 of such reserves or blocks in place on the Effective Date or otherwise modifies, changes or amends the calculation of the borrowing base in any manner that reduces availability under the ABL DIP Facility and/or the Senior ABL Facility by more than $1,500,000.

9. RIGHTS AND REMEDIES.

9.1 **Rights and Remedies**.

(a) If any Event of Default occurs and is continuing, then, and in any such event, notwithstanding the provisions of Section 362 of the Bankruptcy Code, and without any application, motion or notice, hearing before, or order from, the Bankruptcy Court but subject to the DIP Orders and any notice required thereunder, with the consent of the Required Lenders, the Agent may, or upon the request of the Required Lenders, the Agent shall, (i) by written notice to the Borrower, declare all of the DIP Loans hereunder, (with accrued interest thereon) and all other amounts owing under this Agreement to be due and payable forthwith, whereupon the same shall immediately become due and payable, (ii) immediately terminate the Loan Parties' limited use of any cash collateral; (iii) cease making any DIP Loans under the DIP Facility; (iv) subject to the terms of the DIP Orders, sweep all funds contained in the TL Deposit Account; (v) subject to the terms of the DIP Orders and the Intercreditor Agreement, immediately set-off any and all amounts in accounts maintained by the Loan Parties with the Agent or the Lenders against the DIP Facility Obligations, or otherwise enforce any and all rights against the DIP Collateral in the possession of any of the applicable Lenders, including, without limitation, disposition of the DIP Collateral solely for application towards the DIP Facility Obligations; and (vi) take any other actions or exercise any other rights or remedies permitted under the DIP Orders, the DIP Loan Documents or applicable law to effect the repayment of the DIP Facility Obligations; provided that prior to the exercise of any right in clauses (ii), (v) or (vi) of this Section 9.1(a), the Agent shall be required to provide seven (7) Business Days written notice to the Loan Parties, the ABL DIP Agent, and the Committee (if any) of the Agent's intent to exercise its rights and remedies; provided, further, that neither the Loan Parties, the Committee (if any) nor any other party-in-interest shall have the right to contest the enforcement of the remedies set forth in the DIP Orders and the DIP Loan Documents on any basis other than an assertion that an Event of Default has not occurred or has been cured within the cure periods expressly set forth in the applicable DIP Loan Documents. The Loan Parties shall cooperate fully with the Agent and the Lenders in their exercise of rights and remedies, whether against the DIP Collateral or otherwise.

(b) Except as expressly provided above in this Section 9, to the maximum extent permitted by applicable law, presentment, demand, protest and all other notices of any kind are hereby expressly waived.

10. WAIVERS; INDEMNIFICATION.

10.1 **Demand; Protest; etc.** Borrower waives demand, protest, notice of protest, notice of default or dishonor, notice of payment and nonpayment, nonpayment at maturity, release, compromise, settlement, extension, or renewal of documents, instruments, chattel paper,

and guarantees at any time held by the Lender Group on which Borrower may in any way be liable.

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

10.3 **Indemnification**. Borrower and each Guarantor shall pay, indemnify, defend, and hold Agent-Related Persons, the Lender-Related Persons, and each Participant (each, an "Indemnified Person") harmless (to the fullest extent permitted by law) from and against any and all claims, demands, suits, actions, investigations, proceedings, liabilities, fines, costs, penalties, and damages, and all reasonable and documented fees and disbursements of attorneys, experts, or consultants and all other costs and expenses actually incurred in connection therewith or in connection with the enforcement of this indemnification (as and when they are incurred and irrespective of whether suit is brought), at any time asserted against, imposed upon, or incurred by any of them (a) in connection with or as a result of or related to (1) the execution and delivery, advising, structuring, drafting, reviewing, administering or syndicating, or the monitoring of Parent's and its Subsidiaries' compliance with the terms of, the DIP Loan Documents (provided that any legal fees incurred in connection therewith shall be limited to the reasonable fees and reasonable out-of-pocket expenses of one primary counsel, which shall be King & Spalding LLP, for all Indemnified Persons (taken as a whole) (and, solely in the case of an actual conflict of interest, one additional counsel as necessary to the affected Indemnified Persons taken as a whole) and to the extent reasonably necessary, one local counsel in each relevant material jurisdiction, or (2) enforcement (including in connection with the Chapter 11 Cases) of this Agreement, any of the other DIP Loan Documents, or the transactions contemplated hereby or thereby (provided, that the indemnification in this clause (a) shall not extend to (i) any dispute among Indemnified Persons that does not arise out of an act or omission by Borrower or any other Loan Party or Subsidiary thereof (other than any claims against Agent in its capacity as such), or (iii) any Taxes or any costs attributable to Taxes, other than any Taxes that represent losses, claims, damages or other similar amounts arising from any non-Tax Claim), (b) with respect to any investigation, litigation, or proceeding related to this Agreement, any other DIP Loan Document, the making of any DIP Loans hereunder, or the use of the proceeds of the DIP Loans provided hereunder (irrespective of whether any Indemnified Person or Loan Party is a party thereto), or any act, omission, event, or circumstance in any manner related thereto, and (c) in connection with or arising out of any violation of Environmental Law by Parent or any of its Subsidiaries, any presence or release of Hazardous Materials at, on, under, to or from any assets or properties owned, leased or operated by Borrower or any of its Subsidiaries, or any Environmental Actions against, Environmental Liabilities of, or Remedial Actions required of, Parent or any of its Subsidiaries, or related in any way to any operations, assets or properties of Borrower or any of its Subsidiaries (each and all of the foregoing, the "Indemnified Liabilities"). The foregoing to the contrary notwithstanding, Borrower shall have no obligation to any Indemnified Person under this Section 10.3 with respect to any (a) material breach of such Indemnified Person of its obligations (or the obligations of such Indemnified

Persons' Agent-Related Persons) under the DIP Loan Documents, as finally determined by a court of competent jurisdiction or (b) Indemnified Liability that a court of competent jurisdiction finally determines to have resulted from the gross negligence, bad faith or willful misconduct of such Indemnified Person or its officers, directors, employees, attorneys, or agents. This provision shall survive the termination of this Agreement and the repayment in full of the DIP Facility Obligations. If any Indemnified Person makes any payment to any other Indemnified Person with respect to an Indemnified Liability as to which Borrower was required to indemnify the Indemnified Person receiving such payment, the Indemnified Person making such payment is entitled to be indemnified and reimbursed by Borrower with respect thereto. **WITHOUT LIMITATION, EXCEPT AS SET FORTH ABOVE, THE FOREGOING INDEMNITY SHALL APPLY TO EACH INDEMNIFIED PERSON WITH RESPECT TO INDEMNIFIED LIABILITIES WHICH IN WHOLE OR IN PART ARE CAUSED BY OR ARISE OUT OF ANY NEGLIGENT ACT OR OMISSION OF SUCH INDEMNIFIED PERSON OR OF ANY OTHER PERSON**.

11. NOTICES.

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

If to Parent or Borrower:

HOLLANDER SLEEP PRODUCTS, LLC
6501 Congress Avenue Suite 300
Boca Raton, Florida 33487
Attn: Stephen Cumbow
Fax No. 561-214-4030

with copies to (which shall not constitute notice or service of process):

SENTINEL CAPITAL PARTNERS, L.L.C.
330 Madison Avenue, 27th Floor
New York, NY 10017
Attn: Michael Fabian
Fax No. (212) 688-6513

KIRKLAND & ELLIS, LLP
601 Lexington Avenue
New York, NY 10022
Attn: Yongjin Im
Fax No. (212) 446-6460

If to Agent:

BARINGS FINANCE LLC
300 South Tryon Street, Suite 2500
Charlotte, North Carolina 28202

Attn: Brady Sutton
Fax No. (413) 226-3953

with copies to (which shall not constitute notice or service of process): **KING & SPALDING LLP**
1185 6th Avenue
New York, NY
Attn: W. Austin Jowers
Fax No. (212) 556-2222

Any party hereto may change the address at which they are to receive notices hereunder, by notice in writing in the foregoing manner given to the other party. All notices or demands sent in accordance with this Section 11, shall be deemed received on the earlier of the date of actual receipt or 3 Business Days after the deposit thereof in the mail; provided, that (a) notices sent by overnight courier service shall be deemed to have been given when received, (b) notices by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient) and (c) notices by electronic mail shall be deemed received upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return email or other written acknowledgment).

12. CHOICE OF LAW AND VENUE; JURY TRIAL WAIVER; JUDICIAL REFERENCE PROVISION.

(a) **THE VALIDITY OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS (UNLESS EXPRESSLY PROVIDED TO THE CONTRARY IN ANOTHER LOAN DOCUMENT IN RESPECT OF SUCH OTHER LOAN DOCUMENT), THE CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT HEREOF AND THEREOF, THE RIGHTS OF THE PARTIES HERETO AND THERETO WITH RESPECT TO ALL MATTERS ARISING HEREUNDER OR THEREUNDER OR RELATED HERETO OR THERETO, AND ANY CLAIMS, CONTROVERSIES OR DISPUTES ARISING HEREUNDER OR THEREUNDER OR RELATED HERETO OR THERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.**

(b) Each party hereto hereby irrevocably and unconditionally:

(i) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other DIP Loan Documents to which it is a party to the exclusive general jurisdiction of the Supreme Court of the State of New York for the County of New York (the "New York Supreme Court"), and the United States District Court for the Southern District of New York (the "Federal District Court," and together with the New York Supreme Court, the "New York Courts") and appellate courts from either of them except to the extent that the provisions of the Bankruptcy Code are

applicable and specifically conflict with the foregoing; provided that nothing in this Agreement shall be deemed or operate to preclude (i) any Agent from bringing suit or taking other legal action in any other jurisdiction to realize on the DIP Collateral or any other security for the DIP Facility Obligations (in which case any party shall be entitled to assert any claim or defense, including any claim or defense that this Section 12 would otherwise require to be asserted in a legal action or proceeding in a New York Court), or to enforce a judgment or other court order in favor of the Agent or the Collateral Agent, (ii) any party from bringing any legal action or proceeding in any jurisdiction for the recognition and enforcement of any judgment and (iii) if all such New York Courts decline jurisdiction over any Person, or decline (or in the case of the Federal District Court, lack) jurisdiction over any subject matter of such action or proceeding, a legal action or proceeding may be brought with respect thereto in another court having jurisdiction;

(ii) 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 forum and agrees not to plead or claim the same;

(iii) 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 the Borrower, the applicable Lender or the Agent, as the case may be, at the address specified in Section 11 or at such other address of which the Agent, any such Lender and the Borrower shall have been notified pursuant thereto;

(iv) 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 12 any consequential or punitive damages.

Notwithstanding any other provision of this Section 12, the Bankruptcy Court shall have exclusive jurisdiction over any action or dispute involving, relating to or arising out of this agreement or the other DIP Loan Documents.

13. ASSIGNMENTS AND PARTICIPATIONS; SUCCESSORS.

13.1 **Assignments and Participations**.

(a) (i) Subject to the conditions set forth in clause (a)(ii) below, any Lender may assign and delegate all or any portion of its rights and duties under the DIP Loan

Documents (including the DIP Facility Obligations owed to it and its DIP Loan Commitments) to one or more assignees so long as such prospective assignee is an Eligible Transferee (each, an "Assignee"), without the prior written consent of Borrower; and

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

(A) no assignment may be made to a natural person;

(B) the amount of the DIP Loan Commitments and DIP Loans and the other rights and obligations of the assigning Lender hereunder and under the other DIP Loan Documents subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to Agent) shall be in a minimum amount of $1,000,000 (or lesser amounts, if agreed between Borrower and Agent, or otherwise if less, all of such Lender's remaining DIP Loan Commitments and DIP Loans) and in integral multiples of $100,000 in excess thereof, except such minimum amount shall not apply to (I) an assignment or delegation by any Lender to any other Lender, an Affiliate of any Lender, or a Related Fund of such Lender or (II) a group of new Lenders, each of which is an Affiliate of each other or a Related Fund of such new Lender to the extent that the aggregate amount to be assigned to all such new Lenders is at least $1,000,000);

(C) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement;

(D) the parties to each assignment shall execute and deliver to Agent an Assignment and Acceptance; provided, that Borrower and Agent may continue to deal solely and directly with the assigning Lender in connection with the interest so assigned to an Assignee until written notice of such assignment, together with payment instructions, addresses, and related information with respect to the Assignee, have been given to Borrower and Agent by such Lender and the Assignee;

(E) unless waived by Agent (and except in the case of an assignment to an Affiliate or Related Fund of the assigning Lender), the assigning Lender or Assignee has paid to Agent, for Agent's separate account, a processing fee in the amount of $3,500;

(F) [intentionally omitted]; and

(G) no assignment may be made to any Disqualified Lender.

(b) From and after the date that Agent receives the executed Assignment and Acceptance and, if applicable, payment of the required processing fee, (i) the Assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have

been assigned to it pursuant to such Assignment and Acceptance, shall be a "Lender" and shall have the rights and obligations of a Lender under the DIP Loan Documents, and (ii) the assigning Lender shall, to the extent that rights and obligations hereunder and under the other DIP Loan Documents have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights (except with respect to Section 15.3) and be released from any future obligations under this Agreement (and in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement and the other DIP Loan Documents, such Lender shall cease to be a party hereto and thereto); provided, that nothing contained herein shall release any assigning Lender from obligations that survive the termination of this Agreement, including such assigning Lender's obligations under Section 15 and Section 17.9(a).

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

(d) Immediately upon Agent's receipt of the required processing fee, if applicable, and delivery of notice to the assigning Lender pursuant to Section 13.1(b), this Agreement shall be deemed to be amended to the extent, but only to the extent, necessary to reflect the addition of the Assignee and the resulting adjustment of the Loans assigned to it arising therefrom.

(e) Any Lender may at any time sell to one or more commercial banks, financial institutions, or other Persons, other than a Disqualified Lender (a "Participant") participating interests in all or any portion of its DIP Facility Obligations, its DIP Loan Commitment, and the other rights and interests of that Lender (the "Originating Lender") hereunder and under the other Loan Documents; provided, that (i) the Originating Lender shall remain a "Lender" for all purposes of this Agreement and the other DIP Loan Documents and the Participant receiving the participating interest in the DIP Facility Obligations, the DIP Loan

Commitments, and the other rights and interests of the Originating Lender hereunder shall not constitute a "Lender" hereunder or under the other DIP Loan Documents and the Originating Lender's obligations under this Agreement shall remain unchanged, (ii) the Originating Lender shall remain solely responsible for the performance of such obligations, (iii) Borrower, Agent, and the Lenders shall continue to deal solely and directly with the Originating Lender in connection with the Originating Lender's rights and obligations under this Agreement and the other DIP Loan Documents, (iv) no Lender shall transfer or grant any participating interest under which the Participant has the right to approve any amendment to, or any consent or waiver with respect to, this Agreement or any other DIP Loan Document, except to the extent such amendment to, or consent or waiver with respect to this Agreement or of any other DIP Loan Document would (A) extend the final maturity date of the DIP Facility Obligations hereunder in which such Participant is participating, (B) reduce the interest rate applicable to the DIP Facility Obligations hereunder in which such Participant is participating, (C) release all or substantially all of the DIP Collateral or guaranties (except to the extent expressly provided herein or in any of the DIP Loan Documents) supporting the DIP Facility Obligations hereunder in which such Participant is participating, (D) postpone the payment of, or reduce the amount of, the interest or fees payable to such Participant through such Lender (other than a waiver of default interest), or (E) decrease the amount or postpone the due dates of scheduled principal repayments or prepayments or premiums payable to such Participant through such Lender (for the avoidance of doubt, mandatory prepayments pursuant to Section 2.4(d)(ii) or Section 2.4(d)(iii) may be postponed, delayed, waived or modified without the consent of a Participant), (v) no participation shall be sold to a natural person, (vi) [intentionally omitted], and (vii) all amounts payable by Borrower hereunder shall be determined as if such Lender had not sold such participation, except that, if amounts outstanding under this Agreement are due and unpaid, or shall have been declared or shall have become due and payable upon the occurrence of an Event of Default, each Participant shall be deemed to have the right of setoff in respect of its participating interest in amounts owing under this Agreement to the same extent as if the amount of its participating interest were owing directly to it as a Lender under this Agreement; provided, however, that each Participant shall be entitled to the benefits of Section 16 as if it were a Lender provided such Participant delivers the forms and documentation required by Section 16 (it being understood that the documentation under Section 16 shall be delivered to the Participating Lender) and otherwise agrees in writing to be subject to Section 16 as if it were a Lender. Subject to the foregoing, sentence, the rights of any Participant only shall be derivative through the Originating Lender with whom such Participant participates and no Participant shall have any rights under this Agreement or the other DIP Loan Documents or any direct rights as to the other Lenders, Agent, Borrower, the Collateral, or otherwise in respect of the DIP Facility Obligations. No Participant shall have the right to participate directly in the making of decisions by the Lenders among themselves.

(f) In connection with any such assignment or participation or proposed assignment or participation or any grant of a security interest in, or pledge of, its rights under and interest in this Agreement, a Lender may, subject to the provisions of Section 17.9, disclose all documents and information which it now or hereafter may have relating to Parent and its Subsidiaries and their respective businesses.

(g) Any other provision in this Agreement notwithstanding, any Lender may at any time create a security interest in, or pledge, all or any portion of its rights under and

interest in this Agreement to secure obligations of such Lender, including any security interest or pledge in favor of any Federal Reserve Bank (or any central bank having jurisdiction over such Lender) in accordance with Regulation A of the Federal Reserve Bank or U.S. Treasury Regulation 31 CFR §203.24, and the holder of such security interest or pledge (including such Federal Reserve Bank or central bank) may enforce such pledge or security interest in any manner permitted under applicable law. Without limiting the foregoing, in the case of any Lender that is a fund that invests in bank loans and similar extensions of credit, such Lender may, without the consent of Agent or any other Person, collaterally assign or pledge all or any portion of its rights as a Lender under the DIP Loan Documents to any holder of, trustee for, or any other representative of holders of, obligations owed or securities issued by such fund, as security for such obligations or securities.

(h) Agent (as a non-fiduciary agent on behalf of Borrower) shall maintain, or cause to be maintained, a register (the "Register") in the United States on which it enters the name and address of each Lender as the registered owner of the DIP Loan Commitments, the principal amount of DIP Loans owing to it and stated interest thereon, held by such Lender (each, a "Registered Loan"). A Registered Loan (and the registered note, if any, evidencing the same) may be assigned or sold in whole or in part only by registration of such assignment or sale on the Register (and each registered note shall expressly so provide), and any assignment or sale of all or part of such Registered Loan (and the registered note, if any, evidencing the same) may be effected only by registration of such assignment or sale on the Register, together with the surrender of the registered note, if any, evidencing the same duly endorsed by (or accompanied by a written instrument of assignment or sale duly executed by) the holder of such registered note, whereupon, at the request of the designated assignee(s) or transferee(s), one or more new registered notes in the same aggregate principal amount shall be issued to the designated assignee(s) or transferee(s). Prior to the registration of assignment or sale of any Registered Loan (and the registered note, if any evidencing the same), Borrower shall treat the Person in whose name such Registered Loan (and the registered note, if any, evidencing the same) is registered as the owner thereof for the purpose of receiving all payments thereon and for all other purposes, notwithstanding notice to the contrary, absent manifest error. This Section 13.1(h) shall be construed so that the DIP Loans are at all times maintained in "registered form" within the meaning of Section 5f.103-1(b) of the United States Treasury Regulation.

(i) In the event that a Lender sells participations in the Registered Loan, such Lender, as a non-fiduciary agent on behalf of Borrower, shall maintain (or cause to be maintained) a register in accordance with Section 5f.103-1(c) of the United States Treasury Regulations and Section 163(f), 165(g), 871(h)(2), 881(c)(2) and 4701 of the IRC on which it enters the name of all participants in the Registered Loans held by it (and the principal amount (and stated interest thereon) of the portion of such Registered Loans that is subject to such participations) (the "Participant Register"). A Registered Loan (and the Registered Note, if any, evidencing the same) may be participated in whole or in part only by registration of such participation on the Participant Register (and each registered note shall expressly so provide). Any participation of such Registered Loan (and the registered note, if any, evidencing the same) may be effected only by the registration of such participation on the Participant Register. No Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any DIP Loan Document)

to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, Agent (in its capacity as Agent) shall have no responsibility for maintaining a Participant Register.

(j) Agent shall make a copy of the Register available for review by Borrower from time to time as Borrower may reasonably request.

(k) Lenders may not assign all or any portion of its DIP Loans hereunder to (i) the Parent or any of its Subsidiaries or (ii) any Person who, after giving effect to such assignment, would be an Affiliated Lender.

(l) Notwithstanding anything in this Section 13.1 to the contrary, prior to any assignment or sale by any Lender (a "Selling Lender") as of the Effective Date to any Person that is not a Lender (or an Affiliate of a Lender) as of the Effective Date, such Selling Lender shall notify (a "Notice of Intent to Assign") the Agent of its intent to assign or sale its interests in its DIP Facility Obligations, including the amount of DIP Facility Obligations the Selling Lender seeks to assign or sell (the "Available DIP Obligations"). The Agent shall, within one Business Day, notify (such notification, a "Pending Assignment Notice") all Lenders of the Notice of Intent to Assign and the terms thereof. Each Lender shall have 3 Business Days (the "Election Period") to elect to purchase all of the Available DIP Obligations from the Selling Lender by delivering a notice (an "Election Notice") to the Agent. Each Election Notice shall include the amount of Available DIP Obligations such Lender is willing to purchase from the Selling Lender and the purchase price. The Selling Lender shall assign the Available DIP Obligations to the Lender that submitted an Election Notice within the Election Period, and such Lender shall purchase from the Selling Lender the Available DIP Obligations, for the highest price; provided, however, if two or more Lenders deliver an Election Notice during the Election Period for the same purchase price and that purchase price represents the highest purchase price submitted, then the Available DIP Obligations shall be assigned to such Lenders based on their Pro Rata Shares. If no Lenders submitted an Election Notice to the Agent within the Election Period, then the Selling Lender may proceed to seek to assign or sell the full amount of Available DIP Obligations set forth in the Notice of Intent to Assign (but not a partial or lesser amount) to any Eligible Transferee.

13.2 **Successors**. This Agreement, the other DIP Loan Documents, and all Liens and DIP Liens and other rights and privileges created hereby or pursuant hereto or to any other DIP Loan Document shall be binding upon each Loan Party, the estate of each Loan Party, and any trustee, other estate representative or any successor in interest of any Loan Party in any Chapter 11 Case or any subsequent case commenced under Chapter 7 of the Bankruptcy Code, and shall not be subject to Section 365 of the Bankruptcy Code. This Agreement and the other DIP Loan Documents shall be binding upon, and inure to the benefit of, the successors of the Agent and the Lenders and their respective assigns, transferees and endorsees. The Liens and DIP Liens created by this Agreement and the other DIP Loan Documents shall be and remain valid and perfected in the event of the substantive consolidation or conversion of any Chapter 11 Case or

any other bankruptcy case of any Loan Party to a case under Chapter 7 of the Bankruptcy Code or in the event of dismissal of any Chapter 11 Case or the release of any DIP Collateral from the jurisdiction of the Bankruptcy Court for any reason, without the necessity that the Agent file financing statements or otherwise perfect its Liens or DIP Liens under applicable law. This Agreement shall bind and inure to the benefit of the respective permitted successors and assigns of each of the parties; provided, that, except to the extent otherwise expressly permitted hereunder, Borrower may not assign this Agreement or any rights or duties hereunder without the Lenders' prior written consent and any prohibited assignment shall be absolutely void *ab initio*. No consent to assignment by the Lenders shall release Borrower from its DIP Facility Obligations. A Lender may assign this Agreement and the other Loan Documents and its rights and duties hereunder and thereunder pursuant to Section 13.1 and no consent or approval by any Loan Party is required in connection with any such assignment.

14. AMENDMENTS; WAIVERS.

14.1 **Amendments and Waivers**.

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

(i) increase the amount of or extend the expiration date of any DIP Loan Commitment of such Lender (it being understood that a waiver of any condition precedent or the waiver of any Default, Event of Default or mandatory prepayment pursuant to Section 2.4(d) (for clarity, excluding Section 2.4(d)(i)) shall not constitute an extension or increase of any DIP Loan Commitment),

(ii) postpone or delay any date fixed by this Agreement or any other DIP Loan Document for any payment of principal, interest, fees, or other amounts due hereunder or under any other DIP Loan Document (for the avoidance of doubt, mandatory prepayments pursuant to Section 2.4(d) (for clarity, excluding Section 2.4(d)(i)) may be postponed, delayed, waived or modified with the consent of Required Lenders) due to such Lender,

(iii) reduce the principal of, or the rate of interest on, any loan or other extension of credit hereunder, or reduce any fees or other amounts payable hereunder or under any other DIP Loan Document other than the Fee Letter due to such Lender (except (i) in connection with the waiver of applicability of Section 2.6(c) and (ii) in connection with the waiver of a mandatory prepayment under Section 2.4(d) (for clarity, excluding Section 2.4(d)(i)), which, in each case, shall be effective with the written consent of the Required Lenders),

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

(v) amend the currency in which any DIP Loans or any other DIP Facility Obligations are payable to such Lender,

(vi) [reserved],

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

(viii) other than in connection with a transaction permitted by the terms hereof or the other DIP Loan Documents, (x) release Borrower or (y) release or contractually subordinate all or substantially all of the value of the Guarantees or all or substantially all of the Collateral,

(ix) amend, modify, or eliminate any of the provisions of Section 2.4(b)(i) or (ii), or

(x) [reserved],

(b) No amendment, waiver, modification, or consent shall amend, modify, waive, or eliminate any provision of Section 15 pertaining to Agent, or any other rights or duties of Agent under this Agreement or the other DIP Loan Documents, without the written consent of Agent, Borrower, and the Required Lenders.

(c) [reserved].

(d) For the avoidance of doubt, it is understood and agreed that each Lender shall be deemed directly and adversely affected by any amendments, modifications or waivers described in clauses (iv), (vii) (subject to the proviso in clause (vii)) or (viii) of Section 14.1(a).

(e) [Intentionally Omitted].

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

Notwithstanding anything to the contrary herein, with the consent of Agent at the request of Borrower (without the need to obtain any consent of any Lender), any DIP Loan Document may be amended to cure any obvious error or any error or omission of a technical nature that is jointly identified by Agent and Borrower.

14.2 **Mitigation; Replacement of Certain Lenders**.

(a) If any Lender requires Borrower to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 16, then such Lender shall (at the request of Borrower) use reasonable efforts to designate a different lending office for funding or booking its DIP Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 16 in the future, and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. Borrower hereby agrees to pay all reasonable and documented out-of-pocket costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) If (i) any action to be taken by the Lender Group or Agent hereunder requires the consent, authorization, or agreement of all Lenders or all Lenders affected thereby and if such action has received the consent, authorization, or agreement of the Required Lenders, all Lenders, or all Lenders affected thereby, or (ii) any Lender makes a claim for compensation under Section 16, and has declined or is unable to designate a different lending office pursuant to Section 14.2(a), then Borrower or Agent, upon at least 5 Business Days prior irrevocable notice (or such shorter period as Agent may agree), may permanently replace any Lender (and its Affiliates) that failed to give its consent, authorization, or agreement (a "Non-Consenting Lender") or any Lender that made a claim for compensation (a "Tax Lender") with one or more Replacement Lenders, and the Non-Consenting Lender (and its Affiliates) or Tax Lender (and its Affiliates), as applicable, shall have no right to refuse to be replaced hereunder. Such notice to replace the Non-Consenting Lender or Tax Lender, as applicable, shall specify an effective date for such replacement, which date shall not be later than 15 Business Days after the date such notice is given.

(c) Prior to the effective date of such replacement, the Non-Consenting Lender (and its Affiliates) or Tax Lender (and its Affiliates), as applicable, and each Replacement Lender shall execute and deliver an Assignment and Acceptance, subject only to the Non-Consenting Lender (and its Affiliates) or Tax Lender (and its Affiliates), as applicable, being repaid in full its share of the outstanding DIP Facility Obligations (without any premium or penalty of any kind whatsoever, but including all interest, fees and other amounts that may be due in payable in respect thereof). If the Non-Consenting Lender (or its Affiliates) or Tax Lender (or its Affiliates), as applicable, shall refuse or fail to execute and deliver any such Assignment and Acceptance prior to the effective date of such replacement, Agent may, but shall not be required to, execute and deliver such Assignment and Acceptance in the name of and on behalf of the Non-Consenting Lender (and its Affiliates) or Tax Lender (and its Affiliates), as applicable, and irrespective of whether Agent executes and delivers such Assignment and Acceptance, the Non-Consenting Lender (and its Affiliates) or Tax Lender (and its Affiliates), as applicable, shall be deemed to have executed and delivered such Assignment and Acceptance. The replacement of any Non-Consenting Lender (or its Affiliates) or Tax Lender (or its Affiliates), as applicable, shall be made in accordance with the terms of Section 13.1. Until such time as one or more Replacement Lenders shall have acquired all of the DIP Facility Obligations, the DIP Loan Commitments, and the other rights and obligations of the Non-Consenting Lender (and its Affiliates) or Tax Lender (and its Affiliates), as applicable, hereunder and under the

other DIP Loan Documents, the Non-Consenting Lender (and its Affiliates) or Tax Lender (and its Affiliates), as applicable, shall remain obligated to make the Non-Consenting Lender's (and its Affiliates) or Tax Lender's (and its Affiliates), as applicable, Pro Rata Share of DIP Loans.

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

15. AGENT; THE LENDER GROUP.

15.1 **Appointment and Authorization of Agent**. Each Lender hereby designates and appoints Barings Finance LLC as its agent under this Agreement and the other DIP Loan Documents and each Lender hereby irrevocably authorizes Agent to execute and deliver each of the other DIP Loan Documents on its behalf and to take such other action on its behalf under the provisions of this Agreement and each other DIP Loan Document and to exercise such powers and perform such duties as are expressly delegated to Agent by the terms of this Agreement or any other DIP Loan Document, together with such powers as are reasonably incidental thereto. Agent agrees to act as agent for and on behalf of the Lenders on the conditions contained in this Section 15. Any provision to the contrary contained elsewhere in this Agreement or in any other DIP Loan Document notwithstanding, Agent shall not have any duties or responsibilities, except those expressly set forth herein or in the other DIP Loan Documents, nor shall Agent have or be deemed to have any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other DIP Loan Document or otherwise exist against Agent. Without limiting the generality of the foregoing, the use of the term "agent" in this Agreement or the other DIP Loan Documents with reference to Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used merely as a matter of market custom, and is intended to create or reflect only a representative relationship between independent contracting parties. Each Lender hereby further authorizes Agent to act as the secured party under each of the DIP Loan Documents that create a DIP Lien on any item of DIP Collateral. Except as expressly otherwise provided in this Agreement, Agent shall have and may use its sole discretion with respect to exercising or refraining from exercising any discretionary rights or taking or refraining from taking any actions that Agent expressly is entitled to take or assert under or pursuant to this Agreement and the other DIP Loan Documents. Without limiting the generality of the foregoing, or of any other provision of the DIP Loan Documents that provides rights or powers to Agent, Lenders agree that Agent shall have the right to exercise the following powers as long as this Agreement remains in effect: (a) maintain, in accordance with its customary business practices, ledgers and records reflecting the status of the DIP Facility Obligations, the DIP Collateral, payments and proceeds of DIP Collateral, and related matters, (b) execute or file any and all financing or similar statements or notices, amendments, renewals, supplements, documents, instruments, proofs of claim, notices and other

written agreements with respect to the DIP Loan Documents, (c) make DIP Loans, for itself or on behalf of Lenders, as provided in the DIP Loan Documents, (d) exclusively receive, apply, and distribute payments and proceeds of the DIP Collateral as provided in the DIP Loan Documents, (e) open and maintain such bank accounts and cash management arrangements as Agent deems necessary and appropriate in accordance with the DIP Loan Documents for the foregoing purposes, (f) perform, exercise, and enforce any and all other rights and remedies of the Lender Group with respect to Parent or its Subsidiaries, the DIP Facility Obligations, the DIP Collateral, or otherwise related to any of same as provided in the DIP Loan Documents, and (g) incur and pay such Lender Group Expenses as Agent may deem necessary or appropriate for the performance and fulfillment of its functions and powers pursuant to the DIP Loan Documents.

15.2 **Delegation of Duties.** Agent may execute any of its duties under this Agreement or any other DIP Loan Document by or through agents, employees or attorneys in fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. Each member of the Lender Group and each Loan Party acknowledges and agrees that any agent appointed by Agent shall be entitled to the rights and benefits of this Section 15. Agent shall not be responsible for the negligence or misconduct of any agent or attorney in fact that it selects as long as such selection was made without gross negligence or willful misconduct.

15.3 **Liability of Agent**. None of the Agent-Related Persons shall (a) be liable for any action taken or omitted to be taken by any of them under or in connection with this Agreement or any other DIP Loan Document or the transactions contemplated hereby (except for its own gross negligence or willful misconduct), or (b) be responsible in any manner to any of the Lenders for any recital, statement, representation or warranty made by Parent or any of its Subsidiaries or Affiliates, or any officer or director thereof, contained in this Agreement or in any other DIP Loan Document, or in any certificate, report, statement or other document referred to or provided for in, or received by Agent under or in connection with, this Agreement or any other DIP Loan Document, or the validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other DIP Loan Document, or for any failure of Parent or its Subsidiaries or any other party to any DIP Loan Document to perform its obligations hereunder or thereunder. No Agent-Related Person shall be under any obligation to any Lenders to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other DIP Loan Document, or to inspect the books and records or properties of Parent or its Subsidiaries.

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

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

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

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

irrespective of whether such information came into Agent's or its Affiliates' or representatives' possession before or after the date on which such Lender became a party to this Agreement.

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

15.8 **Agents in Individual Capacity**. Barings Finance LLC and its Affiliates may make loans to, acquire Equity Interests in, and generally engage in any kind of banking, trust, financial advisory, underwriting, or other business with Parent and its Subsidiaries and Affiliates and any other Person party to any DIP Loan Document as though it were not Agent hereunder, and, in each case, without notice to or consent of the other members of the Lender Group. The other members of the Lender Group acknowledge that, pursuant to such activities, Barings Finance LLC or its Affiliates may receive information regarding Parent or its Affiliates or any other Person party to any DIP Loan Documents that is subject to confidentiality obligations in favor of Parent or such other Person and that prohibit the disclosure of such information to the Lenders, and the Lenders acknowledge that, in such circumstances (and in the absence of a waiver of such confidentiality obligations, which waiver Agent will use its reasonable best efforts to obtain), Agent shall not be under any obligation to provide such information to them. The terms "Lender" and "Lenders" include Barings Finance LLC in its individual capacity.

15.9 **Successor Agent**. Agent may resign as Agent upon 30 days (10 days if an Event of Default has occurred and is continuing) prior written notice to the Lenders (unless such notice or applicable notice period is waived by the Required Lenders). If Agent resigns under this Agreement, the Required Lenders shall be entitled, to appoint a successor Agent for the Lenders. If no successor Agent is appointed prior to the effective date of the resignation of Agent, Agent may appoint, after consulting with the Lenders, a successor Agent. If Agent has materially breached or failed to perform any material provision of this Agreement or of applicable law, the Required Lenders may agree in writing to remove and replace Agent with a successor Agent from among the Lenders. In any such event, upon the acceptance of its appointment as successor Agent hereunder, such successor Agent shall succeed to all the rights, powers, and duties of the retiring Agent and the term "Agent" shall mean such successor Agent and the retiring Agent's appointment, powers, and duties as Agent shall be terminated. After any retiring Agent's resignation hereunder as Agent, the provisions of this Section 15 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Agreement. If no successor Agent has accepted appointment as Agent by the date which is 30 days (10 days if an Event of Default has occurred and is continuing) following a retiring Agent's notice of resignation, the retiring Agent's resignation shall nevertheless thereupon become effective and the Lenders shall perform all of the duties of Agent hereunder until such time, if any, as the Lenders appoint a successor Agent as provided for above.

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

15.11 **Collateral Matters.**

(a) The Lenders hereby irrevocably authorize Agent to release any DIP Lien on any DIP Collateral (i) upon the termination of the DIP Loan Commitments and payment and satisfaction in full by Borrower of all of the DIP Facility Obligations, (ii) constituting property being sold or disposed of (to Persons other than Loan Parties) if a release is required or desirable in connection therewith and if a Responsible Officer of Borrower certifies in writing to Agent that the sale or disposition is permitted under Section 6.4 (and Agent may rely conclusively on any such certificate, without further inquiry), or (iii) in connection with a credit bid or purchase authorized under this Section 15.11. Notwithstanding anything to the contrary in the foregoing, to the extent property is sold or disposed of pursuant to and in accordance with Section 6.4 (to Persons other than Loan Parties), the DIP Lien on such sold or disposed DIP Collateral shall

automatically terminate. The Loan Parties and the Lenders hereby irrevocably authorize Agent, based upon the instruction of the Required Lenders, to (a) consent to, credit bid or purchase (either directly or indirectly through one or more entities) all or any portion of the DIP Collateral at any sale thereof conducted under the provisions of the Bankruptcy Code, including Section 363 of the Bankruptcy Code and any similar laws in any other jurisdictions in which a Loan Party is subject, (b) credit bid or purchase (either directly or indirectly through one or more entities) all or any portion of the DIP Collateral at any sale or other disposition thereof conducted under the provisions of the Code, including pursuant to Sections 9-610 or 9-620 of the Code, or (c) credit bid or purchase (either directly or indirectly through one or more entities) all or any portion of the DIP Collateral at any other sale or foreclosure conducted or consented to by Agent in accordance with applicable law in any judicial action or proceeding or by the exercise of any legal or equitable remedy. In connection with any such credit bid or purchase, (i) the DIP Facility Obligations owed to the Lenders shall be entitled to be, and shall be, credit bid on a ratable basis (with DIP Facility Obligations with respect to contingent or unliquidated claims being estimated for such purpose if the fixing or liquidation thereof would not impair or unduly delay the ability of Agent to credit bid or purchase at such sale or other disposition of the DIP Collateral and, if such contingent or unliquidated claims cannot be estimated without impairing or unduly delaying the ability of Agent to credit bid at such sale or other disposition, then such claims shall be disregarded, not credit bid, and not entitled to any interest in the DIP Collateral that is the subject of such credit bid or purchase) and the Lenders whose DIP Facility Obligations are credit bid shall be entitled to receive interests (ratably based upon the proportion of their DIP Facility Obligations credit bid in relation to the aggregate amount of DIP Facility Obligations so credit bid) in the DIP Collateral that is the subject of such credit bid or purchase (or in the Equity Interests of the any entities that are used to consummate such credit bid or purchase), and (ii) Agent, based upon the instruction of the Required Lenders, may accept non-cash consideration, including debt and equity securities issued by any entities used to consummate such credit bid or purchase and in connection therewith Agent may reduce the DIP Facility Obligations owed to the Lenders (ratably based upon the proportion of their DIP Facility Obligations credit bid in relation to the aggregate amount of DIP Facility Obligations so credit bid) based upon the value of such non-cash consideration. Except as provided above, Agent will not execute and deliver a release of any DIP Lien on any DIP Collateral without the prior written authorization of (y) if the release is of all or substantially all of the DIP Collateral, all of the Lenders, or (z) otherwise, the Required Lenders. Upon request by Agent or Borrower at any time, the Lenders will confirm in writing Agent's authority to release any such DIP Liens on particular types or items of DIP Collateral pursuant to this Section 15.11; provided, that (1) anything to the contrary contained in any of the DIP Loan Documents notwithstanding, Agent shall not be required to execute any document or take any action necessary to evidence such release on terms that, in Agent's reasonable opinion, could expose Agent to liability or create any obligation or entail any consequence other than the release of such DIP Lien without recourse, representation, or warranty, and (2) such release shall not in any manner discharge, affect, or impair the DIP Facility Obligations or any DIP Liens (other than those expressly released) upon (or obligations of Borrower in respect of) any and all interests retained by Borrower, including, the proceeds of any sale, all of which shall continue to constitute part of the DIP Collateral.

(b) Agent shall have no obligation whatsoever to any of the Lenders (i) to verify or assure that the DIP Collateral exists or is owned by Parent or its Subsidiaries or is cared

for, protected, or insured or has been encumbered, (ii) to verify or assure that Agent's DIP Liens have been properly or sufficiently or lawfully created, perfected, protected, or enforced or are entitled to any particular priority, (iii) to verify or assure that any particular items of DIP Collateral meet the eligibility criteria applicable in respect thereof, (iv) to impose, maintain, increase, reduce, implement, or eliminate any particular reserve hereunder or to determine whether the amount of any reserve is appropriate or not, or (v) to exercise at all or in any particular manner or under any duty of care, disclosure or fidelity, or to continue exercising, any of the rights, authorities and powers granted or available to Agent pursuant to any of the DIP Loan Documents, it being understood and agreed that in respect of the DIP Collateral, or any act, omission, or event related thereto, subject to the terms and conditions contained herein, Agent may act in any manner it may deem appropriate, in its sole discretion given Agent's own interest in the DIP Collateral in its capacity as one of the Lenders and that Agent shall not have any other duty or liability whatsoever to any Lender as to any of the foregoing, except as otherwise expressly provided herein.

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

(a) Each of the Lenders agrees that it shall not, without the express written consent of Agent, set off against the DIP Facility Obligations, any amounts owing by such Lender to Parent or its Subsidiaries or any deposit accounts of Parent or its Subsidiaries now or hereafter maintained with such Lender. Each of the Lenders further agrees that it shall not, unless specifically requested to do so in writing by Agent, take or cause to be taken any action, including, the commencement of any legal or equitable proceedings to enforce any DIP Loan Document against Borrower or any Guarantor or to foreclose any DIP Lien on, or otherwise enforce any security interest in, any of the DIP Collateral.

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

15.13 **Agency for Perfection**. Agent hereby appoints each other Lender as its agent (and each Lender hereby accepts such appointment) for the purpose of perfecting Agent's DIP Liens in assets which, in accordance with Article 8 or Article 9, as applicable, of the Code can be

perfected by possession or control. Should any Lender obtain possession or control of any such DIP Collateral, such Lender shall notify Agent thereof, and, promptly upon Agent's request therefor shall deliver possession or control of such DIP Collateral to Agent or in accordance with Agent's instructions.

15.14 **Payments by Agent to the Lenders**. All payments to be made by Agent to the Lenders shall be made as soon as reasonably practicable and, in any event, within two (2) Business Days of receipt from Borrower in immediately available funds, by bank wire transfer of immediately available funds pursuant to such wire transfer instructions as each party may designate for itself by written notice to Agent. Concurrently with each such payment, Agent shall identify whether such payment (or any portion thereof) represents principal, premium, fees, or interest of the DIP Facility Obligations.

15.15 **Concerning the Collateral and Related Loan Documents**. Each member of the Lender Group authorizes and directs Agent to enter into this Agreement and the other DIP Loan Documents. Each member of the Lender Group agrees that any action taken by Agent in accordance with the terms of this Agreement or the other DIP Loan Documents relating to the DIP Collateral and the exercise by Agent of its powers set forth therein or herein, together with such other powers that are reasonably incidental thereto, shall be binding upon all of the Lenders.

15.16 **[Intentionally Omitted]**.

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

15.18 **[Reserved]**.

16. WITHHOLDING TAXES.

16.1 **Payments**. All payments under the DIP Loan Documents by or on account of any obligation of any Loan Party will be made free and clear of, and without deduction or withholding for, any present or future Taxes, except as required by applicable law. If any Taxes

are required to be deducted or withheld from any payment by or on account of any obligation of any Loan Party under any DIP Loan Document, Borrower shall deduct, withhold or pay (as the case may be) the full amount of such Taxes to the relevant Governmental Authority and, if such Taxes are Indemnified Taxes, the amount payable by the Loan Parties shall be increased as is necessary so that after withholding or deduction for or on account of such Indemnified Taxes, the amount received by the applicable Recipient will not be less than the amount the applicable Recipient would have received had no such withholding or deduction in respect of Indemnified Taxes been made. Borrower will furnish to Agent promptly after the date the payment of any Tax is due pursuant to applicable law, certified copies of tax returns and receipts (or such other similar documents as may be available) evidencing such payment by Borrower, or other evidence of payment reasonably satisfactory to Agent. Borrower agrees to pay any present or future stamp, value added, court or documentary, intangible, recording, filing or similar taxes or any other excise or property taxes, charges, or similar levies, other than Excluded Taxes or Taxes resulting from an assignment ("Other Taxes") that arise from any payment made hereunder or from the execution, delivery, performance, recordation, registration, from the receipt or perfection of a security interest under, or filing of, or otherwise with respect to this Agreement or any other DIP Loan Document within 10 days after receipt of demand therefor. The Loan Parties shall jointly and severally indemnify each Indemnified Person (as defined in Section 10.3) (collectively a "Tax Indemnitee") for the full amount of Indemnified Taxes or Other Taxes arising in connection with this Agreement or any other DIP Loan Document (including, without limitation, any Indemnified Taxes or Other Taxes imposed or asserted on, or attributable to, amounts payable under this Section 16) imposed on, or paid by, or required to be withheld on payments to, such Tax Indemnitee and all reasonable and documented fees and disbursements of attorneys, experts or consultants, and all other reasonable costs and expenses actually incurred in connection therewith or in connection with the enforcement of this indemnification, as and when they are incurred and irrespective of whether suit is brought, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to Borrower by a Lender (with a copy to Agent), or by Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error. The obligations of Borrower and Loan Parties under this Section 16 shall survive the termination of this Agreement and the repayment of the Loans.

16.2 **Exemptions**.

(a) Each Lender and Agent agrees to deliver to Agent and Borrower (and each Participant agrees to deliver to the Originating Lender), two original copies of the following forms, as applicable, before receiving its first payment under this Agreement, but only to the extent such Lender, Participant or Agent is legally entitled to deliver such forms:

(i) if such Lender or Participant or Agent is a Foreign Lender entitled to claim an exemption from United States withholding tax pursuant to the portfolio interest exception, (A) a statement of the Lender or Participant or Agent, signed under penalty of perjury, that it is not a (I) a "bank" as described in Section 881(c)(3)(A) of the IRC, (II) a 10% shareholder of Borrower (within the meaning of Section 871(h)(3)(B) of the IRC), or (III) a controlled foreign corporation related to Borrower within the meaning of Section 864(d)(4) of

the IRC, and (B) a properly completed and executed IRS Form W-8BEN-E or Form W-8IMY (with proper attachments);

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

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

(iv) if such Lender or Participant or Agent is a Foreign Lender entitled to claim that interest paid under this Agreement is exempt from United States withholding Tax because such Lender or Participant or Agent serves as an intermediary, a properly completed and executed copy of IRS Form W-8IMY (with proper attachments); or

(v) if such Lender or Participant or Agent is a U.S. Person, a properly completed and executed copy of any other form or forms, including IRS Form W-9, as may be required under the IRC as a condition to exemption from, or reduction of, United States withholding or backup withholding Tax.

(b) Each Lender or Participant or Agent shall provide new forms (or successor forms) upon the expiration or obsolescence of any previously delivered forms, or if any such form becomes inaccurate in any respect, and promptly notify Agent and Borrower, or the Originating Lender in the case of a Participant, of any change in circumstances which would modify or render invalid any claimed exemption or reduction.

(c) If a Lender or Participant or Agent is entitled to claim an exemption or reduction from withholding Tax in a jurisdiction other than the United States, such Lender or such Agent agrees with and in favor of Agent and Borrower or the Participant agrees with and in favor of the Originating Lender, to deliver to Agent and Borrower, or the Originating Lender in the case of a Participant, any such form or forms, as may be required under the laws of such jurisdiction as a condition to exemption from, or reduction of, foreign withholding or backup withholding tax before receiving its first payment under this Agreement, but only if such Lender or such Participant or such Agent is legally entitled to deliver such forms. Nothing in this Section 16.2 shall require a Lender or Participant or Agent to disclose any information or provide documentation (i) that in Lender's reasonable judgment such completion, execution or submission would subject Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender or (ii) that it deems to be confidential (including without limitation, its tax returns). Each Lender and each Participant and each Agent shall provide new forms (or successor forms) upon the expiration or obsolescence of any previously delivered forms and to promptly notify Agent and Borrower, or the Originating Lender in the case of a Participant, of any change in circumstances which would modify or render invalid any claimed exemption or reduction.

(d) If a Lender or Participant claims exemption from, or reduction of, withholding Tax and such Lender or Participant sells, assigns, grants a participation in, or otherwise transfers all or part of the DIP Facility Obligations of Borrower to such Lender or Participant, such Lender or Participant agrees to notify Agent and Borrower (or, in the case of a sale of a participation interest, to the Lender granting the participation) of the percentage amount in which it is no longer the beneficial owner of DIP Facility Obligations of Borrower to such Lender or Participant. To the extent of such percentage amount, Agent and Borrower will treat such Lender's or the Originating Lender will treat such Participant's documentation provided pursuant to Section 16.2(a), 16.2(c) or 16.2(e) as no longer valid. With respect to such percentage amount, such Participant or Assignee shall provide new documentation to Agent and Borrower, or the Originating Lender in the case of a Participant, pursuant to Section 16.2(a), 16.2(c) or 16.2(e), if applicable. Borrower agrees that each Participant shall be entitled to the benefits of this Section 16 with respect to its participation in any portion of the DIP Loan Commitments and the DIP Facility Obligations so long as such Participant complies with the obligations set forth in this Section 16 with respect thereto.

(e) If a payment made to a Foreign Lender or Agent would be subject to United States federal withholding Tax imposed by FATCA if such Foreign Lender or Agent fails to comply with the applicable reporting requirements of FATCA, such Foreign Lender or Agent shall deliver to Agent and Borrower any documentation under any requirement of law (including as prescribed by Section 1471(b)(3)(C)(i) of the IRC) or reasonably requested by Agent or Borrower sufficient for Agent or Borrower to comply with their obligations under FATCA and to determine whether such Foreign Lender or Agent has complied with such applicable reporting requirements. Solely for purposes of this paragraph (e), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

16.3 **Reductions**.

(a) If a Lender or a Participant is entitled to a reduction in the applicable withholding Tax, Agent (or, in the case of a Participant, the Lender granting the participation) or Borrower may withhold from any payment to such Lender or such Participant an amount equivalent to the applicable withholding Tax after taking into account such reduction. If the forms or other documentation required by Section 16.2(a), 16.2(c) or 16.2(e) are not delivered to Agent (or, in the case of a Participant, to the Lender granting the participation), then Agent (or, in the case of a Participant, the Lender granting the participation) or Borrower may withhold from any payment to such Lender or such Participant not providing such forms or other documentation an amount equivalent to the applicable withholding tax as required by applicable law.

(b) If the IRS or any other Governmental Authority of the United States or other jurisdiction asserts a claim that Agent (or, in the case of a Participant, to the Lender granting the participation) did not properly withhold Tax from amounts paid to or for the account of any Lender or any Participant due to a failure on the part of the Lender or any Participant (because the appropriate form was not delivered, was not properly executed, or because such Lender failed to notify Agent (or such Participant failed to notify the Lender granting the participation) of a change in circumstances which rendered the exemption from, or reduction of, withholding tax ineffective, or for any other reason) such Lender shall indemnify and hold Agent

harmless (or, in the case of a Participant, such Participant shall indemnify and hold Agent and the Lender granting the participation harmless) for all amounts paid, directly or indirectly, by Agent (or, in the case of a Participant, to the Lender granting the participation), as Tax or otherwise, including penalties and interest, and including any taxes imposed by any jurisdiction on the amounts payable to Agent (or, in the case of a Participant, to the Lender granting the participation only) under this Section 16, together with all costs and expenses (including attorneys' fees and expenses). The obligation of the Lenders and the Participants under this subsection shall survive the payment of all DIP Facility Obligations and the resignation or replacement of Agent.

16.4 **Refunds**. If Agent or a Lender or Participant determines, in its sole discretion, that it has received a refund of any Indemnified Taxes with respect to which Borrower has paid additional amounts pursuant to this Section 16, so long as no Default or Event of Default has occurred and is continuing, it shall pay over such refund to Borrower (but only to the extent of payments made, or additional amounts paid, by Borrower under this Section 16 with respect to Indemnified Taxes giving rise to such a refund), net of all out-of-pocket expenses (including Taxes) of Agent or such Lender or such Participant and without interest (other than any interest paid by the applicable Governmental Authority with respect to such a refund); provided, that Borrower, upon the request of Agent or such Lender or such Participant, agrees to repay the amount paid over to Borrower (plus any penalties, interest or other charges, imposed by the applicable Governmental Authority, other than such penalties, interest or other charges imposed as a result of the willful misconduct, bad faith or gross negligence of Agent or such Lender or such Participant hereunder) to Agent or such Lender or such Participant in the event Agent or such Lender or such Participant is required to repay such refund to such Governmental Authority. Notwithstanding anything in this Agreement to the contrary, this Section 16 shall not be construed to require Agent or any Lender or any Participant to make available its tax returns (or any other confidential information) to Borrower or any other Person.

17. GENERAL PROVISIONS.

17.1 **Effectiveness**. Subject to the entry of the DIP Orders, this Agreement shall be binding and deemed effective when executed by Parent, Borrower, Agent, and each Lender whose signature is provided for on the signature pages hereof.

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

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

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

17.5 **[Intentionally Omitted]**.

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

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

17.8 **Revival and Reinstatement of DIP Facility Obligations; Certain Waivers**. If any member of the Lender Group repays, refunds, restores, or returns in whole or in part, any payment or property (including any proceeds of DIP Collateral) previously paid or transferred to such member of the Lender Group in full or partial satisfaction of any DIP Facility Obligation or on account of any other obligation of any Loan Party under any DIP Loan Document, because the payment, transfer, or the incurrence of the obligation so satisfied is asserted or declared to be void, voidable, or otherwise recoverable under any law relating to creditors' rights, including provisions of the Bankruptcy Code relating to fraudulent transfers, preferences, or other voidable or recoverable obligations or transfers (each, a "Voidable Transfer"), or because such member of the Lender Group elects to do so on the reasonable advice of its counsel in connection with a claim that the payment, transfer, or incurrence is or may be a Voidable Transfer, then, as to any such Voidable Transfer, or the amount thereof that such member of the Lender Group elects to repay, restore, or return (including pursuant to a settlement of any claim in respect thereof), and as to all reasonable costs, expenses, and attorneys' fees of such member of the Lender Group related thereto, the liability of the Loan Parties with respect to the amount or property paid, refunded, restored, or returned will automatically and immediately be revived, reinstated, and restored and will exist as if such Voidable Transfer had never been made. This Section 17.8 shall survive the termination of this Agreement and the repayment in full of the DIP Loans and other DIP Facility Obligations.

17.9 **Confidentiality**.

(a) Agent and Lenders each individually (and not jointly or jointly and severally) agree that information regarding Parent and its Subsidiaries, their operations, assets, and existing and contemplated business plans ("Confidential Information") shall be treated by

Agent and the Lenders in a confidential manner, and shall not be disclosed by Agent and the Lenders to Persons who are not parties to this Agreement, except: (i) to attorneys for and other advisors, accountants, auditors, and consultants to any member of the Lender Group and to employees, directors and officers of any member of the Lender Group (the Persons in this clause (i), "Lender Group Representatives") on a "need to know" basis in connection with this Agreement and the transactions contemplated hereby and on a confidential basis, (ii) to Subsidiaries and Affiliates of any member of the Lender Group, provided that any such Subsidiary or Affiliate shall have been informed of the confidential nature of the Confidential Information and instructed to keep such information confidential in accordance with the terms of this Section 17.9, (iii) as may be required or requested by regulatory authorities so long as such authorities are informed of the confidential nature of such information, (iv) as may be required by statute, decision, or judicial or administrative order, rule, or regulation; provided that (x) prior to any disclosure under this clause (iv), the disclosing party agrees to provide Borrower with prior notice thereof, to the extent that it is practicable to do so and to the extent that the disclosing party is permitted to provide such prior notice to Borrower pursuant to the terms of the applicable statute, decision, or judicial or administrative order, rule, or regulation and (y) any disclosure under this clause (iv) shall be limited to the portion of the Confidential Information as may be required by such statute, decision, or judicial or administrative order, rule, or regulation, (v) as may be agreed to in advance in writing by Borrower, (vi) as requested by any Governmental Authority or self-regulatory authority, provided, that, (x) prior to any disclosure under this clause (vi) (except in the case of routine reviews, audits and examinations) the disclosing party agrees to provide Borrower with prior written notice thereof, to the extent that it is practicable to do so and to the extent that the disclosing party is permitted to provide such prior written notice to Borrower pursuant to the terms of the applicable request and by law and (y) any disclosure under this clause (vi) shall be limited to the portion of the Confidential Information as may be requested by such Governmental Authority or self-regulatory authority pursuant to such applicable request, (vii) as required by any Governmental Authority pursuant to any subpoena or other legal process, provided, that, (x) prior to any disclosure under this clause (vii) the disclosing party agrees to provide Borrower with prior written notice thereof, to the extent that it is practicable to do so and to the extent that the disclosing party is permitted to provide such prior written notice to Borrower pursuant to the terms of the subpoena or other legal process and (y) any disclosure under this clause (vii) shall be limited to the portion of the Confidential Information as may be required by such Governmental Authority pursuant to such subpoena or other legal process, (viii) as to any such information that is or becomes generally available to the public (other than as a result of prohibited disclosure by Agent or the Lenders or the Lender Group Representatives), (ix) in connection with any assignment, participation or pledge of any Lender's interest under this Agreement, provided that prior to receipt of Confidential Information any such assignee, participant, or pledgee (other than the Federal Reserve Bank or any central bank in connection with a pledge thereto pursuant to Section 13.1(g)) shall have agreed in writing to receive such Confidential Information either subject to the terms of this Section 17.9 or pursuant to confidentiality requirements substantially similar to those contained in this Section 17.9 (and such Person may disclose such Confidential Information to Persons employed or engaged by them as described in clause (i) above), (x) in connection with any litigation or other adversary proceeding involving parties hereto which such litigation or adversary proceeding involves claims related to the rights or duties of such parties under this Agreement or the other DIP Loan Documents; provided, that, prior to any disclosure

to any Person (other than any Loan Party, Agent, any Lender, any of their respective Affiliates, or their respective counsel) under this clause (x) with respect to litigation involving any Person (other than Borrower, Agent, any Lender, any of their respective Affiliates, or their respective counsel), the disclosing party agrees to provide Borrower with prior written notice thereof, (xi) to exercise of any secured creditor remedy under this Agreement or under any other DIP Loan Document, and (xii) for purposes of establishing a "due diligence" or similar defense in any legal proceeding.

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

17.10 **Survival**. All representations and warranties made by the Loan Parties in the DIP Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other DIP Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the DIP Loan Documents and the making of any DIP Loans regardless of any investigation made by any such other party or on its behalf and notwithstanding that Agent or any Lender may have had notice or knowledge of any Default or Event of Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of, or any accrued interest on, any DIP Loan or any fee or any other amount payable under this Agreement is outstanding or unpaid and so long as the DIP Loan Commitments have not expired or been terminated.

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

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

17.13 **[Intentionally Omitted]**.

17.14 **Judgment Currency**. If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder or any other DIP Loan Document in one currency into another currency, the rate of exchange used shall be that at which in accordance with normal banking procedures Agent could purchase the first currency with such other currency on the Business Day preceding that on which final judgment is given. The obligation of Borrower in respect of any such sum due from it to Agent or any Lender hereunder or under the other DIP Loan Documents shall, notwithstanding any judgment in a currency (the "Judgment Currency") other than that in which such sum is denominated in accordance with the applicable provisions of this Agreement (the "Agreement Currency"), be discharged only to the extent that on the Business Day following receipt by Agent or such Lender, as the case may be, of any sum adjudged to be so due in the Judgment Currency, Agent or such Lender, as the case may be, may in accordance with normal banking procedures purchase the Agreement Currency with the Judgment Currency. If the amount of the Agreement Currency so purchased is less than the sum originally due to Agent or any Lender from Borrower in the Agreement Currency, Borrower agrees, as a separate obligation and notwithstanding any such judgment, to indemnify Agent or such Lender, as the case may be, against such loss. If the amount of the Agreement Currency so purchased is greater than the sum originally due to Agent or any Lender in such currency, Agent or such Lender, as the case may be, agrees to return the amount of any excess to Borrower (or to any other Person who may be entitled thereto under applicable law).

17.15 **No Setoff**. All payments made by Borrower hereunder or under any note or other Loan Document will be made without setoff, counterclaim, or other defense.

17.16 **Acknowledgement and Consent to Bail-In of EEA Financial Institutions**. Notwithstanding anything to the contrary in any DIP Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any DIP Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-in Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other DIP Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

[Signature pages to follow.]

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

PARENT GUARANTORS:

DREAM II HOLDINGS, LLC, a Delaware limited liability company

By:_____
Name:
Title:

HOLLANDER HOME FASHIONS HOLDINGS, LLC, a Delaware limited liability company

By:_____
Name:
Title:

BORROWER:

HOLLANDER SLEEP PRODUCTS, LLC, a Delaware limited liability company

By:_____
Name:
Title:

BARINGS FINANCE LLC, as Agent

By:_____
Name: Brady Sutton
Title: Managing Director

EXHIBIT 2.3(a)

FORM OF BORROWING NOTICE

Barings Finance LLC, as Agent
300 South Tryon Street
Suite 2500
Charlotte NC 28202
Attn: Eric Langerman
Fax No. [_____]

Ladies and Gentlemen:

Reference is made to that certain **DEBTOR-IN-POSSESSION TERM LOAN CREDIT AGREEMENT** (the "Credit Agreement") dated as of May [_], 2019, by and among the lenders identified on the signature pages thereof (such lenders, together with their respective successors and permitted assigns, are referred to hereinafter each individually as a "Lender" and collectively as the "Lenders"), **BARINGS FINANCE LLC**, as the arranger and administrative agent for the Lenders ("Agent"), **DREAM II HOLDINGS, LLC**, a Delaware limited liability company ("Parent"), **HOLLANDER HOME FASHIONS HOLDINGS, LLC**, a Delaware limited liability company (together with Parent the "Parent Guarantors"), and **HOLLANDER SLEEP PRODUCTS, LLC**, a Delaware limited liability company ("Borrower"). Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Credit Agreement.

1. The Borrower hereby requests a DIP Loan to be made on the terms set forth below:

(a) Date of borrowing:	[_]
(b) Type of DIP Loan:	[_]
(c) Interest election:	[Base Rate] / [LIBOR Rate with an Interest Period of [1][2][3] month(s)]]
(d) Principal amount:	[_]

2. The Borrower hereby requests that the proceeds of the DIP Loan described in this Notice of Borrowing be disbursed to the accounts and in the amounts set forth next to each account on the funds flow attached hereto as Exhibit A.

3. As of the date hereof and after giving effect to the advance requested in this Notice of Borrowing, no Default or Event of Default has occurred and is continuing.

4. Each of the conditions set forth in Section **[3.1/3.2]** and Section 3.3 of the Credit Agreement is satisfied as of the date hereof and immediately after giving effect to the advance requested in this Notice of Borrowing.

5. The undersigned has been duly authorized by the Borrower to make this request for advance.

[**signature page to follow**]

BORROWER:

HOLLANDER SLEEP PRODUCTS, LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

Exhibit A

FUNDS FLOW

EXHIBIT 3.1

FORM OF OFFICER'S CERTIFICATE

OMNIBUS CERTIFICATE

May ___, 2019

Each of the undersigned hereby certifies that he or she is a duly elected, qualified and acting authorized officer of the entities listed on each schedule attached hereto (each listed entity, a "Company", and collectively, the "Companies"). Each of the undersigned hereby further certifies, as of the date hereof, solely on behalf of each Company, as applicable, and in such capacity (and not individually), that he or she is authorized to execute this certificate (this "Certificate") on behalf of the Companies and further hereby certifies that:

(a) This Certificate is furnished pursuant to (i) that certain Debtor-in-Possession Term Loan Credit Agreement entered into as of the date hereof (the "DIP Term Loan Credit Agreement"), by and among the lenders identified on the signature pages thereto, Barings Finance LLC, as administrative agent for each member of the Lender Group (as defined in the DIP Term Loan Credit Agreement) (in such capacity, together with its successors and assigns in such capacity, "DIP Term Loan Agent"), Dream II Holdings, LLC, a Delaware limited liability company ("Parent"), Hollander Home Fashions Holdings, LLC, a Delaware limited liability company ("HHFH" and together with Parent, the "Parent Guarantors"), and Hollander Sleep Products, LLC, a Delaware limited liability company ("HSP" or "Term Loan Borrower"), and (ii) that certain Debtor-in-Possession Credit Agreement entered into as of the date hereof (the "DIP ABL Credit Agreement" and, together with the DIP Term Loan Credit Agreement, the "Credit Agreements" and each, a "Credit Agreement"), by and among the lenders identified on the signature pages thereto, Wells Fargo Bank, National Association, as administrative agent for each member of the Lender Group (as defined in the DIP ABL Credit Agreement) and the Bank Product Providers (as defined in the DIP ABL Credit Agreement) (in such capacity, together with its successors and assigns in such capacity, "DIP ABL Agent"), Parent, HHFH, HSP, Hollander Sleep Products Kentucky, LLC, a Delaware limited liability company ("Hollander Kentucky"), Pacific Coast Feather Cushion, LLC, a Delaware limited liability company ("Cushion"), and Pacific Coast Feather, LLC, a Delaware limited liability company ("PCF"; HHFH, HSP, Hollander Kentucky, Cushion and PCF, are collectively, the "DIP ABL US Borrowers" and individually an "DIP ABL US Borrower"), and Hollander Sleep Products Canada Limited (formerly known as Hollander Canada Home Fashions Limited), a Canadian federal corporation ("DIP ABL Canadian Borrower;" DIP ABL US Borrowers and DIP ABL Canadian Borrower are collectively, the "DIP ABL Borrowers" and individually a "DIP ABL Borrower"). Unless otherwise defined herein, capitalized terms used in this Certificate shall have the meanings set forth in the DIP Term Loan Credit

Agreement or the DIP ABL Credit Agreement, as applicable, as the context requires.

(b) Attached hereto as Exhibit A are true, correct and complete copies of the Certificate of Formation of each Company (the "Formation Documents") as certified by the Secretary of State of the State of Delaware together with all amendments thereto adopted through the date hereof. Except as attached hereto, such Formation Documents have not been amended, modified, revoked or rescinded since the date of adoption thereof and are in full force and effect on and as of the date hereof. No actions have been taken by any of the Companies in contemplation of the dissolution of any of the Companies.

(c) Attached hereto as Exhibit B are true, correct and complete copies of the limited liability company agreement or operating agreement, as applicable, of each Company (the "Operating Agreements") as in effect on the date hereof, together with all amendments thereto adopted through the date hereof. Such Operating Agreements have not been otherwise amended, modified, revoked or rescinded since the date of adoption thereof and are in full force and effect on and as of the date hereof.

(d) Attached hereto as Exhibit C is a true, correct and complete copy of the resolutions duly adopted by each Company's board of directors or the sole member, as applicable (the "Board"), approving and authorizing the execution, delivery and performance of the Credit Agreements and the other Loan Documents (as defined in the DIP ABL Credit Agreement) and the DIP Loan Documents (as defined in the DIP Term Loan Credit Agreement) and the transactions contemplated thereby. Such resolutions have not been amended, modified, revoked or rescinded since the date of adoption thereof, are in full force and effect on and as of the date hereof and are the only resolutions that have been adopted by the Board of each Company with respect to the subject matter thereof.

(e) Each of the persons named on Exhibit D attached hereto are, on and as of the date hereof, duly elected, qualified and acting officers of each Company occupying the offices set forth opposite their respective names on Exhibit D, and the signatures set forth opposite their respective names are their true and genuine signatures, and each of such officers is duly authorized to execute and deliver on behalf of each Company each Credit Agreement and the other Loan Documents (as defined in the DIP ABL Credit Agreement) and the DIP Loan Documents (as defined in the DIP Term Loan Credit Agreement) and each of the related documents to which it is a party and any other agreement, instrument or document to be delivered by each Company pursuant to the Credit Agreements and the other Loan Documents (as defined in the DIP ABL Credit Agreement) and the DIP Loan Documents (as defined in the DIP Term Loan Credit Agreement) to which it is a party.

(f) Attached hereto as Exhibit E is a true, correct and complete copy of the certificate of good standing for each Company (the "Good Standing Certificates"), certified as of a recent date by the Secretary of State of the State of Delaware. No change

has occurred in the legal existence and good standing of any Company since the date of the applicable Good Standing Certificate.

****

IN WITNESS WHEREOF, the undersigned has caused this Certificate to be executed on behalf of each Company listed on Schedule 1 and Schedule 2 attached hereto as of the date first written above.

By: _____
Name: Michael J. Fabian
Title: Vice President

I, Eric D. Bommer, as President of each Company listed on Schedule 1 and Schedule 2 attached hereto, do hereby certify on behalf of each such Company that Michael J. Fabian is the duly elected, qualified and acting Vice President of each such Company and that the signature set forth above is the genuine signature of such person.

By:_____
Name: Eric D. Bommer
Title: President

Schedule 1

1. Dream II Holdings, LLC, a Delaware limited liability company

Schedule 2

1. Hollander Home Fashions Holdings, LLC, a Delaware limited liability company
2. Hollander Sleep Products Kentucky, LLC, a Delaware limited liability company
3. Hollander Sleep Products, LLC, a Delaware limited liability company (f/k/a Hollander Home Fashions, LLC)
4. Pacific Coast Feather Cushion, LLC, a Delaware limited liability company (f/k/a Pacific Coast Feather Company, a Washington corporation)
5. Pacific Coast Feather, LLC, a Delaware limited liability company (f/k/a Pacific Coast Feather Cushion Co., a Washington corporation)

EXHIBIT A

Formation Documents

EXHIBIT B

Operating Agreements

EXHIBIT C

Resolutions

OMNIBUS WRITTEN CONSENT IN LIEU OF MEETINGS OF THE BOARD OF DIRECTORS AND SOLE MEMBER

May [_], 2019

The undersigned, being the board of directors or the sole member, as applicable (each, a "Board"), of each entity listed on Schedule 1 through Schedule 6 attached hereto (each, a "Company" and collectively the "Companies"), in lieu of holding a meeting of each Board, hereby take the following actions and adopt the following resolutions by unanimous written consent, pursuant to Section 18-404(d) of the Delaware Limited Liability Company Act and Section 18-302(d) of the Delaware Limited Liability Company Act, as applicable for each Company:

APPROVAL OF THE DEBTOR-IN-POSSESSION TERM LOAN CREDIT AGREEMENT

RESOLVED, that the form, terms and provisions of the Debtor-in-Possession Term Loan Credit Agreement, together with all exhibits, schedules and annexes thereto (as may be amended, restated, supplemented or otherwise modified and in effect from time to time, the "DIP Term Loan Credit Agreement"; capitalized terms used but not otherwise defined herein shall have the meanings specified in the DIP Term Loan Credit Agreement and the DIP ABL Credit Agreement (as defined below), as applicable, as the context requires), by and among the lenders identified on the signature pages thereto, Barings Finance LLC, as administrative agent for each member of the Lender Group (as defined in the DIP Term Loan Credit Agreement) (in such capacity, together with its successors and assigns in such capacity, "DIP Term Loan Agent"), Dream II Holdings, LLC, a Delaware limited liability company ("Parent"), Hollander Home Fashions Holdings, LLC, a Delaware limited liability company ("HHFH" and together with Parent, the "Parent Guarantors") and Hollander Sleep Products, LLC, a Delaware limited liability company ("HSP" or "DIP Term Loan Borrower"), and the transactions contemplated by the DIP Term Loan Credit Agreement and the other DIP Loan Documents (including, without limitation, the borrowings and other extensions of credit thereunder), and the guaranties, liabilities, obligations, security interest granted and notes issued, if any, in connection therewith, be and hereby are authorized, adopted and approved; and

RESOLVED, that each Company's execution and delivery of, and its performance of its obligations in connection with the DIP Term Loan Credit Agreement and the other DIP Loan Documents, are hereby, in all respects, authorized and approved; and further resolved, that each of the Chief Executive Officer, the Chief Financial Officer, the President, any Vice President, any other officer of each Company and any officer of the sole member and/or any manager of each Company, as applicable (each an "Authorized Officer" and collectively, the "Authorized Officers") is hereby authorized and directed to negotiate the terms of and to execute, deliver and perform its obligations under the DIP Term Loan Credit Agreement, the other DIP Loan Documents and any and all other documents, certificates, instruments or

agreements required to consummate the transactions contemplated by the DIP Term Loan Credit Agreement and the other DIP Loan Documents in the name and on behalf of each Company, in the form approved, with such changes therein and modifications and amendments thereto as any of the Authorized Officers may in his or her sole discretion approve, which approval shall be conclusively evidenced by his or her execution thereof. Such execution by any of the Authorized Officers is hereby authorized to be by facsimile, engraved or printed as deemed necessary and preferable; and

APPROVAL OF THE DEBTOR-IN-POSSESSION ABL CREDIT AGREEMENT

RESOLVED, that the form, terms and provisions of the Debtor-in-Possession Credit Agreement, together with all exhibits, schedules and annexes thereto (collectively, as amended, restated, supplemented or otherwise modified and in effect from time to time, the "DIP ABL Credit Agreement" and, together with the DIP Term Loan Credit Agreement, the "Credit Agreements" and each, a "Credit Agreement"), by and among the lenders identified on the signature pages thereto, Wells Fargo Bank, National Association, as administrative agent for each member of the Lender Group (as defined in the DIP ABL Credit Agreement) and the Bank Product Providers (as defined in the DIP ABL Credit Agreement) (in such capacity, together with its successors and assigns in such capacity, "DIP ABL Agent"), Parent, HHFH, HSP, Hollander Sleep Products Kentucky, LLC, a Delaware limited liability company ("Hollander Kentucky"), Pacific Coast Feather Cushion, LLC, a Delaware limited liability company ("Cushion"), and Pacific Coast Feather, LLC, a Delaware limited liability company ("PCF"; HHFH, HSP, Hollander Kentucky, Cushion and PCF, are collectively, the "DIP ABL US Borrowers" and individually an "DIP ABL US Borrower"), and Hollander Sleep Products Canada Limited (formerly known as Hollander Canada Home Fashions Limited), a British Columbia corporation ("DIP ABL Canadian Borrower;" DIP ABL US Borrowers and DIP ABL Canadian Borrower are collectively, the "DIP ABL Borrowers" and individually a "DIP ABL Borrower"), and the transactions contemplated by the DIP ABL Credit Agreement and the other Loan Documents (as defined in the DIP ABL Credit Agreement), and the guaranties, liabilities, obligations, and notes issued, if any, in connection therewith, be and hereby are authorized, adopted and approved; and

RESOLVED, that each Company's execution and delivery of, and its performance of its obligations in connection with the DIP ABL Credit Agreement and the other Loan Documents, are hereby, in all respects, authorized and approved; and further resolved, that each of the Authorized Officers is hereby authorized and directed to negotiate the terms of and to execute, deliver and perform such Company's obligations under the DIP ABL Credit Agreement, the other Loan Documents and any and all other documents, certificates, instruments or agreements required to consummate the transactions contemplated by the DIP ABL Credit Agreement and such other Loan Documents in the name and on behalf of each Company, in the form approved, with such changes therein and modifications and amendments thereto as any of the Authorized Officers may in his or her sole discretion approve, which approval shall be conclusively evidenced by his or her execution thereof. Such execution by any of the Authorized Officers is hereby authorized to be by facsimile, engraved or printed as deemed necessary and preferable; and

APPROVAL OF THE LOAN DOCUMENTS AND THE DIP LOAN DOCUMENTS

RESOLVED, that (i) the form, terms and provisions of the Loan Documents (as defined in the DIP ABL Credit Agreement) and the DIP Loan Documents (as defined in the DIP Term Loan Credit Agreement) to which any or all of the Companies are a party, (ii) the incurrence of indebtedness and borrowing of funds under the Loan Documents (as defined in the DIP ABL Credit Agreement) and the DIP Loan Documents (as defined in the DIP Term Loan Credit Agreement) (iii) the guarantee of all Obligations (as defined in the DIP ABL Credit Agreement) pursuant to the Loan Documents (as defined in the DIP ABL Credit Agreement) and the DIP Facility Obligations (as defined in the DIP Term Loan Credit Agreement) and the DIP Facility Obligations (as defined in the DIP Term Loan Credit Agreement) pursuant to the DIP Loan Documents (as defined in the DIP Term Loan Credit Agreement) by the Guarantors (as defined in each of the Credit Agreements), and (iv) the grant of security interests in and pledges of all or substantially all of the real and personal property, assets and rights now or hereafter owned by any or all of the Companies as collateral (including pledges of equity and personal property as collateral) under the Loan Documents (as defined in the DIP ABL Credit Agreement and the DIP Loan Documents (as defined in the DIP Term Loan Credit Agreement), be and hereby are, authorized, adopted and approved; and

RESOLVED, that each Company's execution and delivery of, and performance of its obligations under, the Loan Documents (as defined in the DIP ABL Credit Agreement) and the DIP Loan Documents (as defined in the DIP Term Loan Credit Agreement) to which any or all of the Companies are a party, are hereby, in all respects, authorized and approved; and further resolved, that each of the Authorized Officers is hereby authorized and directed to negotiate the terms of and to execute, deliver and perform its obligations under the Loan Documents (as defined in the DIP ABL Credit Agreement) and the DIP Loan Documents (as defined in the DIP Term Loan Credit Agreement) to which any or all of the Companies are a party and any and all other documents, certificates, instruments or agreements required to consummate the transactions contemplated thereby in the name and on behalf of each Company, in the form approved, with such changes therein and modifications and amendments thereto as any of the Authorized Officers may in his/her sole discretion approve, which approval shall be conclusively evidenced by his/her execution thereof. Such execution by any of the Authorized Officers is hereby authorized to be by facsimile, engraved or printed as deemed necessary and preferable; and

GENERAL

RESOLVED, that in order to carry out fully the intent and effectuate the purposes of the foregoing resolutions, each of the Authorized Officers be, and hereby are, authorized and empowered to take all such further action including, without limitation, (i) to sell, transfer, lease, assign, set over, grant security interests in, mortgage or pledge any assets and properties of each Company, real personal, or mixed, tangible or intangible, now owned or hereafter acquired as such Authorized Officer determines necessary in connection with such financing and (ii) to arrange for, enter into or grant amendments and/or restatements (including, without limitation, amendments increasing or decreasing the amount of credit available under the Credit Agreements to the Companies acting as borrowers thereunder and/or extending the maturity of the same) and modifications to and waivers of the foregoing agreements (the

"Agreements"), and to arrange for and enter into supplemental agreements, instruments, certificates, financing statements and other documents relating to the transactions contemplated by the Agreements, and to execute, deliver and perform all such further amendments, modifications, waivers, supplemental agreements, instruments, certificates and documents as may be called for under or in connection with the Agreements, that may be determined by such Authorized Officer to be necessary or desirable, containing such terms and conditions and other provisions consistent with the Agreements, in the name and on behalf of each Company, and to pay all such fees and expenses, which shall in his or her judgment be deemed necessary, proper or advisable in order to perform each Company's obligations under or in connection with the Agreements and the transactions contemplated thereby; and

RESOLVED, that all actions taken by any of the Authorized Officers of each Company prior to the date of this written consent which are within the authority conferred hereby are hereby in all respects authorized, ratified, confirmed and approved.

The actions taken by this consent shall have the same force and effect as if taken at a meeting of each Board of each Company, pursuant to the limited liability company agreement or operating agreement, as applicable, of each Company and the laws of the State of Delaware. This consent may be executed in one or more facsimile, electronic or original counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.

* * * *

Schedule 1

2. Dream II Holdings, LLC, a Delaware limited liability company

Schedule 2

1. Hollander Home Fashions Holdings, LLC, a Delaware limited liability company

Schedule 3

1. Hollander Sleep Products Kentucky, LLC, a Delaware limited liability company

Schedule 4

1. Hollander Sleep Products, LLC, a Delaware limited liability company (f/k/a Hollander Home Fashions, LLC, a Delaware limited liability company)

Schedule 5

1. Pacific Coast Feather Cushion, LLC, a Delaware limited liability company (f/k/a Pacific Coast Feather Company, a Washington corporation)

Schedule 6

1. Pacific Coast Feather, LLC, a Delaware limited liability company (f/k/a Pacific Coast Feather Cushion Co., a Washington corporation)

IN WITNESS WHEREOF, the undersigned have executed this consent as of the date first set forth above.

Board of the Company set forth on Schedule 1:

Eric D. Bommer

Michael J. Fabian

Steve Cumbow

Chris Baker

Matthew Kahn

IN WITNESS WHEREOF, the undersigned has executed this consent as of the date first set forth above.

Sole Member of the Company set forth on Schedule 2:

Dream II Holdings, LLC, as Sole Member

By: _____
Name: Michael J. Fabian
Title: Vice President

IN WITNESS WHEREOF, the undersigned has executed this consent as of the date first set forth above.

Sole Member of the Company set forth on Schedule 3:

Hollander Sleep Products, LLC, as Sole Member

By: _____
Name: Michael J. Fabian
Title: Vice President

IN WITNESS WHEREOF, the undersigned has executed this consent as of the date first set forth above.

Sole Member of the Company set forth on Schedule 4:

Hollander Home Fashions Holdings, LLC, as Sole Member

By: _____
Name: Michael J. Fabian
Title: Vice President

IN WITNESS WHEREOF, the undersigned has executed this consent as of the date first set forth above.

Sole Member of the Company set forth on Schedule 5:

Pacific Coast Feather, LLC, as Sole Member

By: _____
Name: Michael J. Fabian
Title: Vice President

IN WITNESS WHEREOF, the undersigned has executed this consent as of the date first set forth above.

Sole Member of the Company set forth on Schedule 6:

Hollander Sleep Products, LLC, as Sole Member

By: _____
Name: Michael J. Fabian
Title: Vice President

EXHIBIT D

Incumbency

Incumbency to Schedule 1

Name	**Office**	**Signature**
Eric D. Bommer	President	_____
Michael J. Fabian	Vice President and Treasurer	_____
Steve Cumbow	Chief Financial Officer	_____
Chris Baker	Executive Chairman	_____
Marc L. Pfefferle	Chief Executive Officer	_____

Incumbency to Schedule 2

Name	**Office**	**Signature**
Eric D. Bommer	President	_____
Michael J. Fabian	Vice President and Assistant Secretary	_____
Marc L. Pfefferle	Chief Executive Officer	_____

EXHIBIT E

Good Standing Certificates

EXHIBIT 5.2(b)

FORM OF COMPLIANCE CERTIFICATE

[on Borrower's letterhead]

To: Barings Finance LLC, as Agent
300 South Tryon Street
Suite 2500
Charlotte NC 28202
Attn: Eric Langerman
Fax No. [_____]

Re: Compliance Certificate dated _____

Ladies and Gentlemen:

Reference is made to that certain **DEBTOR-IN-POSSESSION TERM LOAN CREDIT AGREEMENT** (the "Credit Agreement") dated as of May [ ], 2019, by and among the lenders identified on the signature pages thereof (such lenders, together with their respective successors and permitted assigns, are referred to hereinafter each individually as a "Lender" and collectively as the "Lenders"), **BARINGS FINANCE LLC**, as the arranger and administrative agent for the Lenders ("Agent"), **DREAM II HOLDINGS, LLC**, a Delaware limited liability company ("Parent"), **HOLLANDER HOME FASHIONS HOLDINGS, LLC**, a Delaware limited liability company (together with Parent the "Parent Guarantors"), and **HOLLANDER SLEEP PRODUCTS, LLC**, a Delaware limited liability company ("Borrower"). Capitalized terms used in this Compliance Certificate have the meanings set forth in the Credit Agreement unless specifically defined herein.

Pursuant to Schedule 5.1 of the Credit Agreement, the chief financial officer or other senior financial officer of Borrower hereby certifies, solely in his/her capacity as an officer of Borrower and not in his/her individual capacity, that:

a. The financial information of Parent and its Subsidiaries furnished in Schedule 1 attached hereto, has been prepared in accordance with GAAP (except, in the case of unaudited financial information, for year-end adjustments and the lack of footnotes), and fairly presents in all material respects the financial condition of Parent and its Subsidiaries as of the date hereof.

b. Such officer has reviewed the terms of the Credit Agreement and has made, or caused to be made under his/her supervision, a review in reasonable detail of the transactions and condition of Parent and its Subsidiaries during the accounting period covered by the financial statements delivered pursuant to paragraph 1 above.

c. Such review has not disclosed the existence on and as of the date hereof, and the undersigned does not have knowledge of the existence as of the date hereof, of any event or condition that constitutes a Default or Event of Default, except for such conditions or events listed on Schedule 2 attached hereto, specifying the nature and period of existence thereof and what action Parent and its Subsidiaries have taken, are taking, or propose to take with respect thereto.

[**signature page to follow**]

IN WITNESS WHEREOF, this Compliance Certificate is executed by the undersigned this_____day of_____,_____.

HOLLANDER SLEEP PRODUCTS, LLC, a Delaware limited liability company

By:_____
Name:_____
Title: _____

SCHEDULE 1

Financial Information

SCHEDULE 2

Default or Event of Default

EXHIBIT A-1

FORM OF ASSIGNMENT AND ACCEPTANCE AGREEMENT

This **ASSIGNMENT AND ACCEPTANCE AGREEMENT** ("Assignment Agreement") is entered into as of _____ between _____ ("Assignor") and _____ ("Assignee"). Reference is made to the Credit Agreement described in Annex I hereto (the "Credit Agreement"). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Credit Agreement.

1. In accordance with the terms and conditions of Section 13 of the Credit Agreement, the Assignor hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes from the Assignor, that interest in and to the Assignor's rights and obligations under the DIP Loan Documents as of the date hereof with respect to the DIP Facility Obligations owing to the Assignor, and Assignor's portion of the DIP Loan Commitments, all to the extent specified on Annex I.

2. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim and (ii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment Agreement and to consummate the transactions contemplated hereby; (b) makes no representation or warranty and assumes no responsibility with respect to (i) any statements, representations or warranties made in or in connection with the DIP Loan Documents, or (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the DIP Loan Documents or any other instrument or document furnished pursuant thereto; (c) makes no representation or warranty and assumes no responsibility with respect to the financial condition of Borrower or any Guarantor or the performance or observance by Borrower or any Guarantor of any of their respective obligations under the DIP Loan Documents or any other instrument or document furnished pursuant thereto, and (d) represents and warrants that the amount set forth as the Purchase Price on Annex I represents the amount owed by Borrower to Assignor with respect to Assignor's share of the DIP Loans assigned hereunder, as reflected on Assignor's books and records.

3. The Assignee (a) confirms that it has received copies of the Credit Agreement and the other DIP Loan Documents, together with copies of the financial statements referred to therein and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment Agreement; (b) agrees that it will, independently and without reliance upon Agent, Assignor, or any other Lender, based upon such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking any action under the DIP Loan Documents; (c) confirms that it is an Eligible Transferee; (d) appoints and authorizes Agent to take such action as agent on its behalf and to exercise such powers under the DIP Loan Documents as are delegated to Agent by the terms thereof, together with such powers as are reasonably incidental thereto; (e) agrees that it will perform in accordance with their terms all of the obligations which by the terms of the DIP Loan Documents are required to be performed by it as a Lender; and (f) attaches (i) the forms prescribed by the Internal Revenue Service of the United States certifying as to the Assignee's status for purposes of determining exemption from United States withholding taxes with respect to all payments to be made to the Assignee under the Credit Agreement, or (ii) such other documents as are necessary to indicate that all such payments are subject to such rates at a rate reduced by an applicable tax treaty.

4. Following the execution of this Assignment Agreement by the Assignor and Assignee, the Assignor will deliver this Assignment Agreement to Agent for recording by Agent. The

effective date of this Assignment (the "Settlement Date") shall be the latest to occur of (a) the date of the execution and delivery hereof by the Assignor and the Assignee, (b) the receipt by Agent for its sole and separate account a processing fee in the amount of $3,500 (if required by the Credit Agreement), (c) the receipt of any required consent of Agent or Borrower, if applicable, and (d) the date specified in Annex I.

5. As of the Settlement Date (a) the Assignee shall be a party to the Credit Agreement and, to the extent of the interest assigned pursuant to this Assignment Agreement, have the rights and obligations of a Lender thereunder and under the other DIP Loan Documents, and (b) the Assignor shall, to the extent of the interest assigned pursuant to this Assignment Agreement, relinquish its rights and be released from its obligations under the Credit Agreement and the other DIP Loan Documents, provided, however, that nothing contained herein shall release any assigning Lender from obligations that survive the termination of this Agreement, including such assigning Lender's obligations under Section 15 and Section 17.9(a) of the Credit Agreement.

6. Upon the Settlement Date, Assignee shall pay to Assignor the Purchase Price (as set forth in Annex I). From and after the Settlement Date, Agent shall make all payments that are due and payable to the holder of the interest assigned hereunder (including payments of principal, interest, fees and other amounts) to Assignor for amounts which have accrued up to but excluding the Settlement Date and to Assignee for amounts which have accrued from and after the Settlement Date. On the Settlement Date, Assignor shall pay to Assignee an amount equal to the portion of any interest, fee, or any other charge that was paid to Assignor prior to the Settlement Date on account of the interest assigned hereunder and that are due and payable to Assignee with respect thereto, to the extent that such interest, fee or other charge relates to the period of time from and after the Settlement Date.

7. This Assignment Agreement may be executed in counterparts and by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument. This Assignment Agreement may be executed and delivered by telecopier or other means of electronic transmission (including, without limitation, ".pdf" file) all with the same force and effect as if the same were a fully executed and delivered original manual counterpart.

8. THIS ASSIGNMENT AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

[**signature pages to follow**]

IN WITNESS WHEREOF, the parties hereto have caused this Assignment Agreement and Annex I hereto to be executed by their respective officers, as of the first date written above.

[**NAME OF ASSIGNOR**]
as Assignor

By_____
Name:
Title:

[**NAME OF ASSIGNEE**]
as Assignee

By_____
Name:
Title:

ACCEPTED THIS_____DAY OF
_____

BARINGS FINANCE LLC, as Agent

By_____
Name:
Title:

[HOLLANDER SLEEP PRODUCTS, LLC, a
Delaware limited liability company

By:_____
Name:_____
Title:][1] _____

[1] If required pursuant to the Terms of the Credit Agreement.

ANNEX FOR ASSIGNMENT AND ACCEPTANCE

ANNEX I

1. Borrower: Hollander Sleep Products, LLC, a Delaware limited liability company ("Borrower")

2. Name and Date of Credit Agreement:

   Debtor-In-Possession Term Loan Credit Agreement, dated as of May [__], 2019, by and among Dream II Holdings, LLC, a Delaware limited liability company, Hollander Home Fashions Holdings, LLC, a Delaware limited liability company, Borrower, the lenders from time to time a party thereto, and Barings Finance LLC as the administrative agent for the Lenders

3. Date of Assignment Agreement: _____

4. Amounts:

   (a) Assigned Amount of DIP Loans $_____

5. Settlement Date: _____

6. Purchase Price $_____

7. Notice and Payment Instructions, etc.

Assignee:	Assignor:
_____	_____
_____	_____
_____	_____

8. Agreed and Accepted:

[**ASSIGNOR**] **[ASSIGNEE]**

By: _____ By: _____
Title: _____ Title: _____

ACCEPTED THIS_____DAY OF
_____

BARINGS FINANCE LLC, as Agent

By_____
Name:
Title:

[HOLLANDER SLEEP PRODUCTS, LLC, a
Delaware limited liability company

By:_____
Name:_____
Title:][2] _____

[2] If required pursuant to the Terms of the Credit Agreement.

EXHIBIT I-1

FORM OF INITIAL APPROVED BUDGET

[To be provided.]

EXHIBIT I-2

FORM OF INTERIM DIP ORDER

[To be provided.]

EXHIBIT L-1

FORM OF LIBOR NOTICE

Barings Finance LLC, as Agent
300 South Tryon Street
Suite 2500
Charlotte NC 28202
Attn: Eric Langerman
Fax No. [_____]

Ladies and Gentlemen:

Reference is made to that certain **DEBTOR-IN-POSSESSION TERM LOAN CREDIT AGREEMENT** (the "Credit Agreement") dated as of May [ ], 2019, by and among the lenders identified on the signature pages thereof (such lenders, together with their respective successors and permitted assigns, are referred to hereinafter each individually as a "Lender" and collectively as the "Lenders"), **BARINGS FINANCE LLC**, as the arranger and administrative agent for the Lenders ("Agent"), **DREAM II HOLDINGS, LLC**, a Delaware limited liability company ("Parent"), **HOLLANDER HOME FASHIONS HOLDINGS, LLC**, a Delaware limited liability company (together with Parent the "Parent Guarantors"), and **HOLLANDER SLEEP PRODUCTS, LLC**, a Delaware limited liability company ("Borrower"). Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Credit Agreement.

This LIBOR Notice represents Borrowers' request to elect the LIBOR Option with respect to outstanding DIP Loans in the amount of $_____(the "DIP Loan")[**, and is a written confirmation of the telephonic notice of such election given to Agent**].

The LIBOR Rate Loan will have an Interest Period of [**1, 2, 3 or 6**] month(s) commencing on_____.

This LIBOR Notice further confirms Borrowers' acceptance, for purposes of determining the rate of interest based on the LIBOR Rate under the Credit Agreement, of the LIBOR Rate as determined pursuant to the Credit Agreement.

[**signature pages to follow**]

Dated: _____

BORROWER:

HOLLANDER SLEEP PRODUCTS, LLC, a Delaware limited liability company

By:_____
Name:_____
Title: _____

Acknowledged by:

BARINGS FINANCE LLC, as Agent

By_____
Name:_____
Title: _____

Schedule A-1

Agent's Account

Bank:

Bank:	U.S. Bank
ABA No:	091-000-022
Account Number:	[redacted]
Account Name:	Corporate Trust Agency Services
Reference:	Hollander

Schedule D-1

Initial DIP Loan Commitment	
Lender	**Commitment**
Allstate Insurance Company	[redacted]
Barings Finance LLC	[redacted]
GSO Capital Partners	[redacted]
First Eagle Investment Management	[redacted]
PennantPark Investment Corporation	[redacted]
Total	**$15,000,000.00**
Final DIP Loan Commitment	
Lender	**Commitment**
Allstate Insurance Company	[redacted]
Barings Finance LLC	[redacted]
GSO Capital Partners	[redacted]
First Eagle Investment Management	[redacted]
PennantPark Investment Corporation	[redacted]
Total	**$7,000,000.00**
Budget Advance Date Commitment	
Lender	**Commitment**
Allstate Insurance Company	[redacted]
Barings Finance LLC	[redacted]
GSO Capital Partners	[redacted]
First Eagle Investment Management	[redacted]
PennantPark Investment Corporation	[redacted]
Total	**$6,000,000.00**

Schedule P-1

Permitted Investments

None.

Schedule R-1

Real Property Collateral

Loan Party	Address	County	State
Pacific Coast Feather, LLC	220 Miriam Street Henderson, NC 27536	Vance	North Carolina

Schedule 1.1

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

"ABL DIP Agent" means Wells Fargo Bank, National Association, in its capacity as administrative agent under the ABL DIP Facility Documents, together with its successors and assigns.

"ABL DIP Facility" has the meaning specified therefor in the recitals.

"ABL DIP Facility Agreement" means the Debtor-in-Possession Credit Agreement, dated as of the date hereof, as amended, restated, amended and restated, supplemented or otherwise modified from time to time, among the Borrower, the other borrowers party thereto from time to time, the lenders and other financial institutions party thereto from time to time and the ABL DIP Agent.

"ABL DIP Facility Documents" means the "Loan Documents" as defined in the ABL DIP Facility Agreement, as the same may be amended, supplemented, waived, otherwise modified, extended, renewed, refinanced, or replaced from time to time.

"ABL DIP Lenders" means the lenders under the ABL DIP Facility Agreement.

"ABL DIP Obligations" means the "Obligations" as defined under the ABL DIP Facility Agreement.

"ABL Priority Collateral" means "ABL Priority Collateral" as defined in the Intercreditor Agreement.

"Acceleration" has the meaning specified therefor in Section 8.4 of the Agreement.

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

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

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

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

"Adequate Protection Liens" has the meaning specified therefor in the DIP Orders.

"Affected Lender" has the meaning specified therefor in Section 2.13(b) of the Agreement.

"Affiliate" means, as applied to any Person, any other Person who controls, is controlled by, or is under common control with, such Person. For purposes of this definition, "control" means the possession, directly or indirectly through one or more intermediaries, of the power to direct the management and policies of a Person, whether through the ownership of Equity Interests, by contract, or otherwise; provided, that, for purposes of Section 6.10 of the Agreement: (a) any Person which owns directly or indirectly 10% or more of the Equity Interests having ordinary voting power for the election of directors or other members of the governing body of a Person or 10% or more of the partnership or other ownership interests of a Person (other than as a limited partner of such Person) shall be deemed an Affiliate of such Person, (b) each director (or comparable manager) of a Person shall be deemed to be an Affiliate of such Person, and (c) each partnership in which a Person is a general partner shall be deemed an Affiliate of such Person.

"Affiliated Lender" means any Sponsor Affiliated Entity other than any natural person.

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

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

"Agent's Account" means the Deposit Account identified on Schedule A-1 as Agent's Account (or such other Deposit Account that has been designated as such, in writing, by Agent to Borrower and the Lenders).

"Agent's DIP Liens" means the DIP Liens granted by Parent or its Subsidiaries to Agent under the DIP Loan Documents and securing all or a portion of the DIP Facility Obligations.

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

"Allowed Professional Fees" has the meaning specified in Section 2.14(d) of the Agreement.

"Application Event" means the occurrence of (a) a failure by Borrower to repay all of the DIP Facility Obligations in full on the Maturity Date or the date of any acceleration of the DIP Facility Obligations, or (b) an Event of Default and the election by the Required Lenders to require that payments and proceeds of DIP Collateral be applied pursuant to Section 2.4(b)(ii) of the Agreement.

"Approved Budget" means the Initial Approved Budget as amended and supplemented by any Weekly Cash Flow Forecast delivered in accordance with Section 5.2(a) and approved by the Agent and the Required Lenders in accordance with Section 5.20.

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

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

"Available DIP Obligations" has the meaning specified therefor in Section 13.1(l) of the Agreement.

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

"Bail-In Legislation" means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

"Bankruptcy Code" has the meaning specified therefor in the recitals.

"Bankruptcy Court" has the meaning specified therefor in the recitals.

"Bankruptcy Rules" means the Federal Rules of Bankruptcy Procedure and local rules of the Bankruptcy Court, each as amended, and applicable to the Cases.

"Bar Date" has the meaning specified therefor in Section 8.9(m)(iii) of the Agreement.

"Base Rate" means a floating rate of interest per annum equal to the greatest of (a) the rate last quoted by The Wall Street Journal (or, if such rate is no longer quoted by The Wall Street Journal, another national publication selected by Agent) as the U.S. "Prime Rate," (b) the Federal Funds Rate plus ½%, and (c) the sum of (i) LIBOR for an Interest Period of one month (giving effect to the minimum LIBOR Rate of 1.00%) plus (ii) 1.00%.

"Base Rate Loan" means each portion of the DIP Loans that bears interest at a rate determined by reference to the Base Rate.

"Benefit Plan" means a "defined benefit plan" (as defined in Section 3(35) of ERISA) subject to Title IV of ERISA for which Parent or any of its Subsidiaries or ERISA Affiliates has been an "employer" (as defined in Section 3(5) of ERISA) within the past six years.

"Bidding Procedures" has the meaning specified therefor in Section 8.9(m)(ii) of the Agreement.

"Board of Directors" means, with respect to any Person, (a) in the case of any corporation, the board of directors of such Person or any committee thereof duly authorized to act on behalf of such board, (b) in the case of any limited liability company, the board of managers, board of directors, manager or managing member of such Person or the functional equivalent of the foregoing, (c) in the case of any partnership, the board of directors, board of managers, manager or managing member of a general partner of such Person or the functional equivalent of the foregoing and (d) in any other case, the functional equivalent of the foregoing.

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

"Borrower" has the meaning set forth in the preamble to the Agreement.

"Borrowing" means a borrowing consisting of DIP Loans made on the same day by the Lenders (or Agent on behalf thereof).

"Budget Advance Date" has the meaning specified therefor in Section 2.1(c) of this Agreement.

"Budget Advance Date Commitment" means on the Budget Advance Date, with respect to each Lender holding a Budget Advance Date Commitment, the commitment of such Lender to make a Budget Advance DIP Loan, which commitment is in the amount set forth opposite such Lender's name on Schedule D-1 under the caption "Budget Advance Date Commitment", as amended to reflect Assignments; provided that such commitment shown on such Schedule shall, with the written consent of the Agent (which consent shall not be unreasonably withheld, delayed or conditioned), be increased by any portion of the Final DIP Loan Commitment of such Lender not funded on the Final Order Effective Date. The aggregate amount of the Budget Advance Date Commitments on the Budget Advance Date shall be (a) $6,000,000 plus (b) to the extent approved by the Agent in accordance with the preceding sentence, the difference between $28,000,000 minus the aggregate funded amount of Interim DIP Loans and Final DIP Loans. It is understood and agreed that the Budget Advance Date Commitments are in addition to the Interim DIP Loan Commitments and the Final DIP Loan Commitments, and not a replacement or substitute therefor.

"Budget Advance Date DIP Loans" means the single draw term loans to be made on the Budget Advance Date in an aggregate amount not to exceed the Budget Advance Date Commitments.

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

"Canadian Benefit Plan" means any plan, fund, program, or policy, whether oral or written, formal or informal, funded or unfunded, insured or uninsured, providing material employee benefits, including medical, hospital care, dental, sickness, accident, disability, life insurance, pension, retirement or savings benefits, under which a Loan Party or a Subsidiary thereof has any liability with respect to any employee or former employee in Canada.

"Canadian Defined Benefit Plan" means any Canadian Pension Plan which contains a "defined benefit provision" as defined in subsection 147.1(1) of the Income Tax Act (Canada).

"Canadian Pension Plan" means each pension plan required to be registered under Canadian federal or provincial law that is maintained or contributed to, or to which there is or may be an obligation to contribute by a Loan Party or a Subsidiary thereof, for its employees or former employees, but does not include the Canada Pension Plan or the Quebec Pension Plan as maintained by the Government of Canada or the Province of Quebec, respectively.

"Canadian Pension Termination Event" means (a) the voluntary full or partial wind up of a Canadian Pension Plan by any Loan Party or Subsidiary thereof or initiation of any action or

filing to do so; (b) the institution of proceedings by any Governmental Authority to terminate in whole or in part or have a trustee appointed to administer any Canadian Pension Plan; or (c) any other event or condition which might constitute grounds for the termination of, winding up or partial termination of, winding up or the appointment of trustee to administer, any Canadian Pension Plan.

"Canadian Priority Payables" means (a) the amount past due and owing by any Canadian Subsidiary, or the accrued amount for which such Canadian Subsidiary has an obligation to remit, to a Governmental Authority or other Person pursuant to any applicable law, rule or regulation, in respect of (i) goods and services taxes, sales taxes, employee income taxes, municipal taxes and other taxes payable or to be remitted or withheld; (ii) workers' compensation or employment insurance; (iii) vacation or holiday pay; and (iv) other like charges and demands, in each case, to the extent that any Governmental Authority or other Person may claim a lien, security interest, hypothec, trust or other claim; and (b) the aggregate amount of any other liabilities of any Canadian Subsidiary (i) in respect of which a trust or deemed trust has been or may be imposed to provide for payment, or (ii) in respect of unpaid or unremitted pension plan contributions, including amounts representing any unfunded liability, solvency deficiency or wind-up deficiency whether or not due with respect to a Canadian Pension Plan, or (iii) which are secured by a lien, security interest, pledge, charge, right or claim; in each case, pursuant to any applicable law, rule or regulation (such as liens, trusts, security interests, hypothecs, pledges, charges, rights or claims in favor of employees, landlords, warehousemen, customs brokers, carriers, mechanics, materialmen, labourers, or suppliers, or liens, trusts, security interests, hypothecs, pledges, charges, rights or claims for ad valorem, excise, sales, or other taxes where given priority under applicable law).

"Canadian Subsidiary" means any Subsidiary organized under the laws of Canada or any province (or other political subdivision) thereof.

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

"Carve Out" has the meaning specified therefor in the DIP Orders.

"Carve Out Trigger Notice" has the meaning specified in Section 2.14(d) of the Agreement.

"Case Processionals" means any professional (other than an ordinary course professional) retained by the Borrower or the Committee pursuant to a final order of the Bankruptcy Court (which order has not been vacated or stayed, unless the stay has been vacated) under Sections 327, 328, 363 or 1103(a) of the Bankruptcy Code.

"Cash Equivalents" means (a) Domestic Cash Equivalents; and (b) Foreign Cash Equivalents.

"Cash Management Services" means any cash management or related services including treasury, depository, return items, overdraft, controlled disbursement, merchant store value cards, e-payables services, electronic funds transfer, interstate depository network, automatic clearing house transfer (including the Automated Clearing House processing of electronic funds transfers

through the direct Federal Reserve Fedline system) and other customary cash management arrangements.

"CFC" means a controlled foreign corporation (as that term is defined in the IRC).

"Change in Control" means the occurrence of any of the following events: (a) Sponsor Affiliated Entity ceases to beneficially own and control, directly or indirectly, more than 50.0% of the voting and economic Equity Interests in Parent on a fully diluted basis, (b) any Person or "group" (within the meaning of Rules 13d-3 and 13d-5 promulgated under the Exchange Act) other than Sponsor Affiliated Entity shall have acquired beneficial ownership on a fully diluted basis of the voting Equity Interests of Parent sufficient (whether or not exercised) to elect a majority of the members of the Board of Directors of Parent, (c) Sponsor Affiliated Entity ceases to have the power to elect or designate, directly or indirectly, a majority of the Board of Directors of Parent by voting power, contract or otherwise, (d) Parent ceases to beneficially own and control, directly, all of the Equity Interests in HHFH, or (e) HHFH ceases to beneficially own and control, directly, all of the Equity Interests in Borrower.

"Change in Law" means the occurrence after the date of the Agreement of: (a) the adoption or effectiveness of any law, rule, regulation, judicial ruling, judgment or treaty, (b) any change in any law, rule, regulation, judicial ruling, judgment or treaty or in the administration, interpretation, implementation or application by any Governmental Authority of any law, rule, regulation, guideline or treaty, or (c) the making or issuance by any Governmental Authority of any request, rule, guideline or directive, whether or not having the force of law; provided that notwithstanding anything in the Agreement to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives concerning capital adequacy promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities shall, in each case, be deemed to be a "Change in Law," regardless of the date enacted, adopted or issued.

"Chapter 11 Cases" has the meaning specified therefor in the recitals.

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

"Collateral Account Bank" means a bank consented to in writing by the Collateral Agent (such consent not to be unreasonably withheld or delayed) which shall not be Wells Fargo Bank, National Association or any Affiliate or subsidiary thereof; provided, that Wells Fargo Bank, National Association shall be the Collateral Account Bank until such time as the Borrower is able after the Effective Date to establish the TL Deposit Account at a different bank.

"Committee" means the official committee of unsecured creditors, if any, appointed in the Chapter 11 Cases.

"Commodity Exchange Act" has the meaning specified therefor in the Guaranty and Security Agreement.

"Compliance Certificate" has the meaning specified therefor in Section 5.2(b) of the Agreement.

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

"Confirmation Date" has the meaning specified therefor in Section 8.9(m)(x) of this Agreement.

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

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

"Copyright Security Agreement" has the meaning specified therefor in the Guaranty and Security Agreement.

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

"Default Notice" has the meaning specified therefor in Section 8.4 of the Agreement.

"Defaulting Lender" means any Lender that (a) has failed to fund any amounts required to be funded by it under the Agreement within two (2) Business Days of the date that it is required to do so under the Agreement, unless such Lender notifies Agent and Borrower in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, (b) notified Borrower, Agent, or any Lender in writing that it does not intend to comply with all or any portion of its funding obligations under the Agreement, (c) has made a public statement (which such public statement Borrower and Agent should reasonably be expected to have knowledge thereof) to the effect that it does not intend to comply with its funding obligations under the Agreement or under other agreements generally (as reasonably determined by Agent) under which it has committed to extend credit, (d) failed, within 1 Business Day after written request by Agent, to confirm that it will comply with the terms of the Agreement relating to its obligations to fund any amounts required to be funded by it under the Agreement, (e) otherwise failed to pay over to Agent or any other Lender any other amount required to be paid by it under the Agreement within two (2) Business Days of the date that it is required to do so under the Agreement, or (f) (i) becomes or is insolvent or has a parent company that has become or is insolvent, (ii) becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, or custodian or appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment or has a parent company that has become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, or custodian appointed for it, or has taken any action in furtherance

of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment (in each case other than by way of an Undisclosed Administration, for which purpose "Undisclosed Administration" shall mean in relation to a Lender, or its direct or indirect parent company, the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official by a supervisory authority or regulator under or based on the law in the country where such Lender or such parent company is subject to home jurisdiction supervision if applicable law requires that such appointment is not to be publicly disclosed) or (iii) becomes the subject of a Bail-in Action.

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

"DIP Collateral" means all the "DIP Collateral" (or equivalent term) as defined in the Guaranty and Security Agreement and assets and interests in assets and proceeds thereof now owned or hereafter acquired by any Loan Party in or upon which a DIP Lien is granted by such Person in favor of Agent or the Lenders under any of the DIP Loan Documents.

"DIP Facility Obligations" means all DIP Loans, debts, principal, interest (including any interest that accrues after the commencement of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any such Insolvency Proceeding), premiums, liabilities, obligations (including indemnification obligations) of any Loan Party, fees (including the fees provided for in the Fee Letter) of any Loan Party, Lender Group Expenses (including any fees or expenses that accrue after the commencement of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any such Insolvency Proceeding) of any Loan Party, guaranties of any Loan Party, and all covenants and duties of any other kind and description owing by any Loan Party arising out of, under, pursuant to, in connection with, or evidenced by the Agreement or any of the other DIP Loan Documents and irrespective of whether for the payment of money, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, and including all interest not paid when due and all other expenses or other amounts that any Loan Party is required to pay or reimburse by the DIP Loan Documents or by law or otherwise in connection with the DIP Loan Documents. Without limiting the generality of the foregoing, the DIP Facility Obligations under the DIP Loan Documents include the obligation to pay (i) the principal of the DIP Loans, (ii) interest accrued on the DIP Loans, (iii) Lender Group Expenses of any Loan Party, (iv) fees payable by any Loan Party under the Agreement or any of the other DIP Loan Documents, and (v) indemnities and other amounts payable by any Loan Party under any DIP Loan Document. Any reference in the Agreement or in the DIP Loan Documents to the DIP Facility Obligations shall include all or any portion thereof and any extensions, modifications, renewals, or alterations thereof, both prior and subsequent to any Insolvency Proceeding.

"DIP Liens" means the Liens granted to the Agent for the benefit of the Lenders under the DIP Loan Documents and authorized by the DIP Orders.

"DIP Loan Commitments" means the Interim DIP Loan Commitments, the Final DIP Loan Commitments, and the Budget Advance Date Commitments, each as set forth of Schedule D-1.

"DIP Loan Documents" means the Agreement, any promissory note issued pursuant to Section 2.5, the Fee Letter, the Guaranty and Security Agreement, the DIP Orders, each instrument and document executed and/or delivered as contemplated by Section 3, and any other document, instrument or agreement executed in connection with the DIP Facility, each as amended, supplemented, waived or otherwise modified from time to time.

"DIP Loans" means the Interim DIP Loans, the Final DIP Loans, and the Budget Advance Date DIP Loans.

"DIP Orders" means, collectively, the Interim DIP Order and Final DIP Order.

"DIP Superpriority Claim" has the meaning specified therefor in Section 2.14(b) of the Agreement.

"Disclosure Statement" has the meaning specified therefor in Section 8.9(m)(iv) of the Agreement.

"Disqualified Equity Interests" means any Equity Interests that, by their terms (or by the terms of any security or other Equity Interests into which they are convertible or for which they are exchangeable), or upon the happening of any event or condition (a) matures or are mandatorily redeemable (other than solely for Qualified Equity Interests), pursuant to a sinking fund obligation or otherwise (except as a result of a change of control or asset sale or other disposition or casualty event so long as any rights of the holders thereof upon the occurrence of a change of control or asset sale or other disposition or casualty event shall be subject to the prior repayment in full of the Loans and all other DIP Facility Obligations that are accrued and payable and the termination of the DIP Loan Commitments), (b) are redeemable at the option of the holder thereof (other than solely for Qualified Equity Interests), in whole or in part, (c) provide for the scheduled payments of dividends in cash, or (d) are or become convertible into or exchangeable for Indebtedness or any other Equity Interests that would constitute Disqualified Equity Interests, in each case, prior to the date that is 180 days after the Maturity Date (as determined on the date of the issuance thereof).

"Disqualified Lender" means (i) those Persons that are competitors of Parent and its Subsidiaries identified by name in writing to Agent from time to time, (ii) those banks, financial institutions, institutional lenders and other persons or entities that have been specified to Agent by Parent or the Sponsor prior to the date hereof, which list may be updated once per quarter absent the existence and continuance of an Event of Default; provided that (A) subject to clause (B) below, no Person that is a Lender on the Effective Date or has otherwise become a Lender hereunder in accordance with the assignment and participations provisions described in Section 13.1 of the Agreement, respectively, or any Affiliate of any such Person, may be added to the list of Disqualified Lenders after the Effective Date unless such list was updated to add such Person to the list prior to the time such Person became a Lender or Affiliate thereof, and (B) if (1) any Lender enters into a binding commitment to assign any DIP Loan or participate any portion of its interest therein (in each case in accordance with Section 13.1 of the Agreement) to a Person that such Lender has not been advised is a Disqualified Lender, (2) such assigning Lender has requested the consent of Borrower if such Lender is required to do so in the case of an assignment to such Person prior to entering into such binding commitment and (3) such

assigning or participating Lender has confirmed with Agent (based solely on Agent's review of the list of Disqualified Lenders then provided to Agent by Borrower) that such Person is not a Disqualified Lender prior to entering into such binding assignment or participation, then such assignee or participant, as applicable, shall not be a Disqualified Lender, and (iii) any Person that is an Affiliate of a Person referred to clauses (i) and (ii) above, in each case, if such Affiliate is clearly identifiable as such based on its name (excluding bona fide debt funds); provided that, during the existence and continuance of an (x) an Event of Default, there shall be deemed to be no Disqualified Lenders.

"Dollars" or "$" means United States dollars.

"Domestic Cash Equivalents" means (a) marketable direct obligations issued by, or unconditionally guaranteed by, the United States or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within 1 year from the date of acquisition thereof, (b) marketable direct obligations issued or fully guaranteed by any state of the United States or any political subdivision of any such state or any public instrumentality thereof maturing within 1 year from the date of acquisition thereof and, at the time of acquisition, having one of the two highest ratings obtainable from either Standard & Poor's Rating Group ("S&P") or Moody's Investors Service, Inc. ("Moody's"), (c) commercial paper maturing no more than 270 days from the date of creation thereof and, at the time of acquisition, having a rating of at least A-1 from S&P or at least P-1 from Moody's, (d) certificates of deposit, time deposits, overnight bank deposits or bankers' acceptances maturing within 1 year from the date of acquisition thereof issued by any bank organized under the laws of the United States or any state thereof or the District of Columbia or any United States branch of a foreign bank having at the date of acquisition thereof combined capital and surplus of not less than (x) $250,000,000 in the case of U.S. banks and (y) $1,000,000,000 (or the dollar equivalent thereof as of the date of determination in the case of any United States branch of a foreign bank), (e) Deposit Accounts maintained with (i) any bank that satisfies the criteria described in clause (d) above, or (ii) any other bank organized under the laws of the United States or any state thereof so long as the full amount maintained with any such other bank is insured by the Federal Deposit Insurance Corporation, (f) repurchase obligations of any commercial bank satisfying the requirements of clause (d) of this definition or recognized securities dealer having combined capital and surplus of not less than (x) $250,000,000 in the case of U.S. banks and (y) $1,000,000,000 (or dollar equivalent thereof as of the date of determination) in the case of any United States branch of a foreign bank, having a term of not more than seven days, with respect to securities satisfying the criteria in clauses (a) or (d) above, (g) debt securities with maturities of six months or less from the date of acquisition backed by standby letters of credit issued by any commercial bank satisfying the criteria described in clause (d) above, (h) Investments in money market funds substantially all of whose assets are invested in the types of assets described in clauses (a) through (g) above and (i) investment funds investing at least 90% of their assets in securities of the types described in clauses (a) through (h) above.

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established

in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Effective Date" means May ___, 2019.

"Effective Tax Rate" means the aggregate Federal, state and local Tax rate applicable to an individual resident in the city of New York (or such other jurisdiction having the highest aggregate Federal, state and local Tax rate applicable to any equity owner of Parent) subject to tax at the highest marginal rates provided for under the applicable Federal, state and local laws then in effect, taking into account the character of income and assuming full deductibility of state and local taxes.

"Election Notice" has the meaning specified therefor in Section 13.1(l) of the Agreement.

"Election Period" has the meaning specified therefor in Section 13.1(l) of the Agreement.

"Eligible Transferee" means (a) any Lender (other than a Defaulting Lender), any Affiliate of any Lender and any Related Fund of any Lender; (b) (i) a commercial bank organized under the laws of the United States or any state thereof, and having total assets in excess of $250,000,000; (ii) a savings and loan association or savings bank organized under the laws of the United States or any state thereof, and having total assets in excess of $250,000,000; or (iii) a commercial bank organized under the laws of any other country or a political subdivision thereof; provided that (A) (x) such bank is acting through a branch or agency located in the United States or (y) such bank is organized under the laws of a country that is a member of the Organization for Economic Cooperation and Development or a political subdivision of such country, and (B) such bank has total assets in excess of $250,000,000; (c) any other entity (other than a natural person) that is an "accredited investor" (as defined in Regulation D under the Securities Act) that extends credit or buys loans as one of its businesses including insurance companies, investment or mutual funds and lease financing companies, and having total assets in excess of $250,000,000; and (d) during the continuation of an Event of Default, any other Person approved by Agent; provided, that no Disqualified Lender shall qualify as an Eligible Transferee.

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

"Environmental Action" means any written complaint, demand, summons, citation, notice, directive, order, claim, litigation, judicial or administrative proceeding, judgment, letter,

or other written communication from any Governmental Authority or any third party involving liabilities under Environmental Laws, violations of Environmental Laws or releases of Hazardous Materials (a) from any assets, properties, or businesses of Parent, any Subsidiary of Parent, or any of their predecessors in interest, (b) from adjoining properties or businesses, or (c) from or onto any facilities which received Hazardous Materials generated by Parent, any Subsidiary of Parent, or any of their predecessors in interest.

"Environmental Law" means any applicable United States or foreign federal, state, provincial, territorial, municipal or local statute, law, rule having the force and effect of law, regulation, ordinance, code, binding and enforceable guideline, or rule of common law now or hereafter in effect and in each case as amended, or any binding and enforceable judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree or judgment, in each case, relating to the environment, Hazardous Materials affecting employee or worker health or safety, or Hazardous Materials, in each case as amended from time to time. Without limitation, Environmental Law includes the *Resource Conservation and Recovery Act* ("RCRA"), the *Comprehensive Environmental Response, Compensation and Liability Act* ("CERCLA"), the *Canadian Environmental Protection Act* (Canada), the *Fisheries Act* (Canada), the *Transportation of Dangerous Goods Act* (Canada) and the *Ontario Water Resources Act* (Ontario).

"Environmental Liabilities" means all liabilities, obligations (including monetary obligations), losses, damages, costs and expenses (including all reasonable fees, disbursements and expenses of counsel, experts, or consultants, and costs of investigation and feasibility studies), fines, penalties, sanctions, and interest incurred (i) as a result of or related to any Environmental Action or Remedial Action or (ii) under Environmental Law.

"Environmental Lien" means any Lien in favor of any Governmental Authority related to or arising out of Environmental Liabilities.

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

"Equity Documents" means, collectively, the (i) Amended and Restated Limited Liability Company Agreement of Parent, dated as of October 21, 2014, (ii) Securityholders Agreement, dated as of October 21, 2014, by and among Parent and other Persons party thereto, (iii) Registration Rights Agreement, dated as of October 21, 2014, by and among Parent and the other Persons party thereto, (iv) Contribution and Exchange Agreement, dated as of September 18, 2014, by and among Parent and the other Persons party thereto, (v) Subscription Agreements, dated as of October 21, 2014, by and among Parent and the other Persons party thereto, (vi) Securities Purchase Agreement, dated as of September 18, 2014, by and among HHFH, HHF Holdings, LLC, Hollander Home Fashions Corp., Jeffrey Hollander Irrevocable Exempt Trust dated October 29, 2012 and each of the other Persons party thereto, (vii) certificate of incorporation, bylaws, operating agreement or other organizational document of the Loan Parties and their Canadian Subsidiaries as of the Effective Date, and (viii) Management Services Agreement, in each case, as amended.

"Equity Interests" means, with respect to a Person, all of the shares, options, warrants, interests, participations, or other equivalents (regardless of how designated) of or in such Person,

whether voting or nonvoting, including capital stock (or other ownership or profit interests or units), preferred stock, or any other "equity security" (as such term is defined in Rule 3a11-1 of the General Rules and Regulations promulgated by the SEC under the Exchange Act).

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and any successor statute thereto.

"ERISA Affiliate" means (a) any Person subject to ERISA whose employees are treated as employed by the same employer as the employees of Parent or its Subsidiaries under IRC Section 414(b), (b) any trade or business subject to ERISA whose employees are treated as employed by the same employer as the employees of Parent or its Subsidiaries under IRC Section 414(c), (c) solely for purposes of Section 302 of ERISA and Section 412 of the IRC, any organization subject to ERISA that is a member of an affiliated service group of which Parent or any of its Subsidiaries is a member under IRC Section 414(m), or (d) solely for purposes of Section 302 of ERISA and Section 412 of the IRC, any Person subject to ERISA that is a party to an arrangement with Parent or any of its Subsidiaries and whose employees are aggregated with the employees of Parent or its Subsidiaries under IRC Section 414(o).

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

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

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

"Excluded Actions" has the meaning specified therefor in Section 5.12 of the Agreement.

"Excluded Collateral" has the meaning specified therefor in the Guaranty and Security Agreement.

"Excluded Subsidiary" means any Subsidiary of Parent (a) [reserved], (b) that is an Immaterial Subsidiary, (c) acquired after the Effective Date (i) that is prohibited from guaranteeing the DIP Facility Obligations by applicable law, rule or regulation or by any contractual obligation existing on the date such Subsidiary is acquired (so long as, in respect of any such contractual prohibition, such prohibition is not incurred in contemplation of such acquisition and with respect to any Subsidiary that has material assets, Borrower and the Subsidiary Guarantors shall have used commercially reasonable efforts (not involving expending money in excess of de minimis amounts) to remove such prohibition), or (ii) that would require governmental (including regulatory) consent, approval, license or authorization to provide a Guaranty, (d) that is a (i) Foreign Subsidiary of Parent that is a CFC, (ii) US Foreign Holdco, (iii) US Person that is a Subsidiary of a CFC, or (iv) Subsidiary the provision of a Guaranty by which would result in a material adverse tax consequence (as a result of the operation of Section 956 of the IRC) to Parent or one of its Subsidiaries (as reasonably determined by Parent in consultation with Agent), (e) any not-for-profit Subsidiaries, captive insurance companies or other special purpose Subsidiaries (so long as such special purpose Subsidiary is not created in contemplation of circumventing the guarantee obligations), and (f) any other Subsidiary if the costs to the Loan Parties of providing such guaranty are excessive (as determined by Agent in

consultation with Borrower) in relation to the benefits to Agent and the Lenders afforded thereby; provided, that notwithstanding the foregoing clauses (a) through (f), any Person that guarantees all or any portion of the US Obligations (as defined in the ABL DIP Facility Agreement as in effect on the date hereof) other than the Canadian Loan Parties (as defined in the ABL DIP Facility Agreement as in effect on the date hereof) shall not be an Excluded Subsidiary.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to, or required to be withheld or deducted from a payment to a Lender or Agent: (i) any Tax imposed on or measured by the net income or net profits (however denominated) of any Lender or Agent (including any branch profits taxes or franchise Taxes imposed in lieu thereof), in each case (A) imposed by the jurisdiction (or by any political subdivision or taxing authority thereof) in which such Lender or Agent is organized or the jurisdiction (or by any political subdivision or taxing authority thereof) in which such Lender's or Agent's principal office is located or (B) as a result of a present or former connection between such Lender or Agent and the jurisdiction or taxing authority imposing the Tax (other than any such connection arising from such Lender or Agent having executed, delivered, become a party to, performed its obligations under, received payment under, received or perfected a security interest under, enforced its rights or remedies under or engaged in any other transaction pursuant to the Agreement or any other DIP Loan Document or sold or assigned an interest in any DIP Loan or DIP Loan Document); (ii) United States federal Taxes that would not have been imposed but for a Lender's or Agent's failure to comply with the requirements of Section 16.2 of the Agreement, (iii) [intentionally omitted], (iv) any United States federal withholding Taxes that would be imposed on amounts payable to a Lender or Agent based upon the applicable law in effect at the time such Lender or Agent becomes a party to the Agreement (or designates a new lending office), except that Excluded Taxes shall not include any Tax amount that such Lender or Participant or Agent (or its assignor, if any) was previously entitled to receive pursuant to Section 16.1 of the Agreement, if any, with respect to such withholding Tax at the time of designation of a new lending office (or assignment); and (v) withholding Taxes imposed under FATCA.

"Extensions of Credit" means the advancing of DIP Loans under this Agreement on the Effective Date and the Final Order Effective Date, as applicable.

"Extraordinary Receipt" means any cash received by or paid to or for the account of any Person that is not contemplated in the Approved Budget and is not in the ordinary course of business (other than any such cash received or paid from Recovery Events), including tax refunds, pension plan reversions, indemnity payments and any purchase price adjustments; provided, however, that an Extraordinary Receipt shall not include indemnity payments to the extent that payments are received by any Person in respect of any third party claim against such Person and applied to pay (or to reimburse such Person for its prior payment of) such claim and the costs and expenses of such Person with respect thereto; provided, further, that Extraordinary Receipts shall not include items of ABL Priority Collateral or Proceeds of any assets of the categories in the definition of ABL Priority Collateral.

"FATCA" means Sections 1471 through 1474 of the IRC as of the date of this Agreement (or any amended or successor version to the extent such version is substantively comparable and not materially more onerous to comply with), any current or future regulations or official

interpretations thereof, and any intergovernmental agreements entered into pursuant to Section 1471(b)(1) of the IRC.

"Federal Funds Rate" means, for any period, a fluctuating interest rate per annum equal to, for each day during such period, the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System, 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 which is a Business Day, the average of the quotations for such day on such transactions received by Agent from three Federal funds brokers of recognized standing selected by it.

"Federal District Court" has the meaning specified therefor in Section 12.(b) of the Agreement.

"Fee Letter" means the fee letter, dated as of the Effective Date, between Borrower and the Lenders.

"Final DIP Loan Commitment" means on the Final Order Effective Date, with respect to each Lender holding a Final DIP Loan Commitment, the commitment of such Lender to make a Final DIP Loan, which commitment is in the amount set forth opposite such Lender's name on Schedule D-1 under the caption "Final DIP Loan Commitment", as amended to reflect Assignments; provided that such commitment shown on such Schedule shall, with the written consent of the Agent (which consent shall not be unreasonably withheld, delayed or conditioned), be increased by any portion of the Interim DIP Loan Commitment of such Lender not funded on the Effective Date. The aggregate amount of the Final DIP Loan Commitments on the Final Order Effective Date shall be the lesser of (a) $7,000,000.00 and (b) such amount as approved by the Bankruptcy Court for funding on the Final Order Effective Date pursuant to the Final DIP Order. It is understood and agreed that the Final DIP Loan Commitments are in addition to the Interim DIP Loan Commitments and not a replacement or substitute therefor.

"Final DIP Loans" means the single draw term loans to be made on the Final Order Effective Date in an aggregate amount not to exceed the Final DIP Loan Commitments.

"Final DIP Order" means the order of the Bankruptcy Court entered in the Chapter 11 Cases after notice and final hearing pursuant to the Bankruptcy Rules or such other procedures as approved by the Bankruptcy Court which, among other matters (but not by way of limitation), authorizes the Borrower to obtain credit and the Loan Parties to incur (or guaranty) the DIP Facility Obligations and grant DIP Liens under the DIP Loan Documents, as the case may be, and provides for the superpriority of the Agent's and the Lenders' claims, and authorizes the use of cash collateral, as the same shall be approved by, and may be modified or supplemented from time to time after the Final Order Effective Date with the written consent of, the Agent and Required Lenders in their sole and absolute discretion.

"Final Order Effective Date" means the date on which the conditions under Sections 3.2 and 3.3 are satisfied or waived as reasonably determined by the Agent and the Required Lenders.

"Financial Officer" of any Person means the chief financial officer, the treasurer, any assistant treasurer, any vice president of finance, the chief accountant or the controller of such

Person, the Financial Advisor or any officer with substantially equivalent responsibilities of any of the foregoing (which may be a Person employed by the Financial Advisor).

"Financial Advisor" means Carl Marks Advisory Group LLC.

"First Day Hearing" means the first day of the hearing scheduled on which entry of the Interim DIP Order shall be heard.

"Flow Through Entity" means an entity that (a) for federal income tax purposes constitutes (i) a "partnership" (within the meaning of Section 7701(a)(2) of the Code) other than a "publicly traded partnership" (as defined in Section 7704 of the Code), or (ii) any other business entity that is disregarded as an entity separate from its owners under the IRC, or any published administrative guidance of the Internal Revenue Service (each of the entities described in the preceding clauses (i) and (ii), a "Federal Flow Through Entity"), and (b) for state and local jurisdictions is subject to treatment on a basis under applicable state or local income tax law substantially similar to a Federal Flow Through Entity.

"Foreign Cash Equivalents" means, in the case of any Subsidiary (other than a Loan Party or other Subsidiary organized under the laws of the United States or a political subdivision thereof), investments denominated in the currency of the jurisdiction in which such Subsidiary is organized or in Dollars, in each case which are of substantially the same type as the items specified in the definition of Domestic Cash Equivalents.

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

"Foreign Asset Sale" means an sale or disposition of assets consummated by a Foreign Subsidiary.

"Foreign Subsidiary" means any Subsidiary that is not a U.S. Person.

"Funding Losses" has the meaning specified therefor in Section 2.12(b)(ii) of the Agreement.

"GAAP" means generally accepted accounting principles as in effect from time to time in the United States, consistently applied.

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

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

"Guarantors" means (a) the Parent Guarantors and (b) each Subsidiary that is a U.S. Person and that is not an Excluded Subsidiary; provided that, notwithstanding the foregoing, any Person that guarantees all or any portion of the US Obligations (as defined in the ABL DIP Facility Agreement as in effect on the date hereof) other than the Canadian Loan Parties (as defined in the ABL DIP Facility Agreement as in effect on the date hereof) shall be a Guarantor.

"Guarantee Obligation" means 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 such obligation of the guaranteeing person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (A) for the purchase or payment of any such primary obligation or (B) 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 the Borrower in good faith.

"Guaranty and Security Agreement" means that certain DIP Loan Guaranty and Security Agreement, dated as of the Effective Date, executed and delivered by each Loan Party to Agent.

"Hazardous Materials" means (a) substances that are regulated under Environmental Laws or are defined or listed in, or otherwise classified pursuant to, any Environmental Laws as "hazardous substances," "hazardous materials," "hazardous wastes," "toxic substances," or any other formulation intended to define, list, or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, reproductive toxicity, or "EP toxicity", (b) oil, petroleum, or petroleum derived substances, natural gas, natural gas liquids, synthetic gas, drilling fluids, produced waters, and other wastes associated with the exploration, development, or production of crude oil, natural gas, or geothermal resources, (c) any flammable substances or explosives or any radioactive materials, (d) asbestos in any form, and (e) electrical equipment that contains any oil or dielectric fluid containing levels of polychlorinated biphenyls in excess of 50 parts per million.

"Hedge Agreement" means a "swap agreement" as that term is defined in Section 101(53B)(A) of the Bankruptcy Code.

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

"Hollander China" means Hollander Home Fashions Trading (Shanghai) Co., Ltd, a company organized under the laws of China.

"Immaterial Subsidiary" means each Subsidiary set forth on Schedule 4.25 hereto, provided that:

(i) the Immaterial Subsidiaries, taken together, do not, in the aggregate (x) comprise more than the lesser of $1,000,000 and 1.00% of the total revenue of Parent and its Subsidiaries for the period of 12 months most recently ended on April 30, 2019 and (y) do not hold consolidated assets representing more than the lesser of $1,000,000 and 1.00% of the total consolidated assets of Parent and its Subsidiaries on the last day of the most recent 12 month period ended on April 30, 2019,

(ii) no Immaterial Subsidiary (x) comprises more than the lesser of $1,000,000 and 1.00% of the total revenue of Parent and its Subsidiaries for the period of 12 months most recently ended on April 30, 2019 or (y) holds consolidated assets representing more than the lesser of $1,000,000 and 1.00% of the total consolidated assets of Parent and its Subsidiaries on the last day of the most recent 12 month period ended on April 30, 2019, and

(iii) if, at any time, the limits set forth in clauses (i) and (ii) are not satisfied as at or for the 12 month period ended on the most recently ended fiscal month for which financial statements have been delivered or required to be delivered to Agent hereunder on or prior to such date, Parent shall promptly (and in any event within 5 Business Days from the date such financial statements have been delivered or required to be delivered hereunder) re-designate one or more Immaterial Subsidiaries as no longer an Immaterial Subsidiary as may be necessary such that the foregoing limits shall be satisfied, and any such Subsidiary shall thereafter be deemed to no longer be an Immaterial Subsidiary hereunder.

"Indebtedness" as to any Person means (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes, or other similar instruments and all reimbursement or other obligations in respect of letters of credit, bankers acceptances, or other financial products, (c) all obligations of such Person as a lessee under Capital Leases, (d) all obligations or liabilities of others secured by a Lien on any asset of such Person, irrespective of whether such obligation or liability is assumed, (e) all obligations of such Person to pay the deferred purchase price of assets and any earn-out or similar obligations (to the extent included, or required to be included, as a liability on the balance sheet of such Person at such time) (other than (i) trade payables incurred in the ordinary course of business and repayable in accordance with customary trade practices, (ii) royalty payments payable in the ordinary course of business in respect of non-exclusive licenses, (iii) working capital and other similar purchase price adjustments), (iv) any earn-out obligation that is not yet due and payable unless such obligation is not paid promptly after becoming due and payable, (v) customary cash pooling and cash management practices and other intercompany indebtedness having a term not

exceeding 364 days (inclusive of any roll-over or extensions of terms) incurred in the ordinary course of business, (vi) accruals for payroll or other employee compensation and other liabilities incurred in the ordinary course of business and (vii) any accrued or deferred management fees, including pursuant to the Management Services Agreement, (f) all monetary obligations of such Person owing under Hedge Agreements (which amount shall be calculated based on the amount that would be payable by such Person if the Hedge Agreement were terminated on the date of determination), (g) the liquidation value of any Disqualified Equity Interests of such Person, and (h) any obligation of such Person guaranteeing or intended to guarantee (whether directly or indirectly guaranteed, endorsed, co-made, discounted, or sold with recourse) any obligation of any other Person that constitutes Indebtedness under any of clauses (a) through (g) above. For purposes of this definition, (i) the amount of any Indebtedness represented by a guaranty or other similar instrument shall be the lesser of the principal amount of the obligations guaranteed and still outstanding and the maximum amount for which the guaranteeing Person may be liable pursuant to the terms of the instrument embodying such Indebtedness, and (ii) the amount of any Indebtedness which is limited or is non-recourse to a Person or for which recourse is limited to an identified asset shall be valued at the lesser of (A) if applicable, the limited amount of such obligations, and (B) if applicable, the fair market value of such assets securing such obligation.

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

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

"Indemnified Taxes" means (a) any Taxes imposed on or with respect to a payment under or on account of any Loan Document, other than Excluded Taxes and (b) to the extent not described in (a), Other Taxes.

"Initial Approved Budget: means the 17-week operating budget (or such shorter, or longer, period, as applicable, to coincide with the Life of the Case) setting forth, on a consolidated basis with respect to the Loan Parties and their respective Subsidiaries, all forecasted consolidated cash receipts, consolidated cash disbursements and consolidated net cash flow on a weekly basis for the relevant period beginning as of the week of the Petition Date, broken down by week, including the anticipated weekly uses of the proceeds of the DIP Facility for such period, which shall include, among other things, available cash, cash flow, trade payables and ordinary course expenses, total expenses and capital expenditures, fees and expenses relating to the DIP Facility, fees and expenses related to the Chapter 11 Cases, and working capital and other general corporate needs, which forecast shall be in form and substance reasonably satisfactory to the Agent at the direction of the Required Lenders. Such Initial Approved Budget shall be in the form set forth in Exhibit I-1 hereto. For all purposes hereunder, the Initial Approved Budget shall constitute an "Approved Budget".

"Initial DIP Loans" means the DIP Loans made on the Effective Date.

"Insolvency Proceeding" means any proceeding commenced by or against any Person under any provision of the Bankruptcy Code or under any other provincial, state or federal bankruptcy or insolvency law, each as now and hereafter in effect, any successors to such

statutes, and any similar laws in any jurisdiction including, without limitation, any laws relating to assignments for the benefit of creditors, formal or informal moratoria, compositions, extensions generally with creditors, or proceedings seeking reorganization, arrangement, or other similar relief and any law permitting a debtor to obtain a stay or a compromise of the claims of its creditors.

"Intellectual Property" has the meaning specified therefor in Section 4.26 of the Agreement.

"Intercompany Subordination Agreement" means an Intercompany Subordination Agreement, in form and substance satisfactory to Agent in its sole discretion, to be executed and delivered by Parent and each of its Subsidiaries and Agent, in accordance with this Agreement.

"Intercreditor Agreement" means the Amended and Restated Intercreditor Agreement, dated as of the date hereof, between Agent and ABL DIP Agent.

"Interest Period" means, with respect to each LIBOR Rate Loan, a period commencing on the date of the making of such LIBOR Rate Loan (or the continuation of a LIBOR Rate Loan or the conversion of a Base Rate Loan to a LIBOR Rate Loan) and ending 1, 2, 3, or 6 months thereafter; provided, that (a) interest shall accrue at the applicable rate based upon the LIBOR Rate from and including the first day of each Interest Period to, but excluding, the day on which any Interest Period expires, (b) any Interest Period that would end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day, (c) with respect to an 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), the Interest Period shall end on the last Business Day of the calendar month that is 1, 2, 3 or 6 months after the date on which the Interest Period began, as applicable, and (d) Borrower may not elect an Interest Period which will end after the Maturity Date.

"Interim DIP Loan Commitment" means on the Effective Date, with respect to each Lender holding an Interim DIP Loan Commitment, the commitment of such Lender to make an Interim DIP Loan, which commitment is in the amount set forth opposite such Lender's name on Schedule D-1 under the caption "Interim DIP Loan Commitment", as amended to reflect Assignments. The aggregate amount of the Interim DIP Loan Commitments on the Effective Date shall be the lesser of (a) $15,000,000.00 and (b) such amount as approved by the Bankruptcy Court pursuant to the Interim DIP Order.

"Interim DIP Loans" means the single draw term loans to be made on the Effective Date but prior to the Final Order Effective Date, in an aggregate amount not to exceed the Interim DIP Loan Commitments.

"Interim DIP Order" means the order of the Bankruptcy Court substantially in the form of Exhibit I-2 (except as may otherwise be agreed in writing or on the record by the Agent and the Required Lenders at the interim hearing with respect to such order in the Chapter 11 Cases) entered in the Chapter 11 Cases after an interim hearing pursuant to the Bankruptcy Rules,

which, among other matters (but not by way of limitation), authorizes, on an interim basis, the Borrower to obtain credit and the Loan Parties to incur (or guaranty) the DIP Facility Obligations and grant DIP Liens under the DIP Loan Documents, as the case may be, and provides for the superpriority of the Agent's and the Lenders' claims, and authorizes the use of cash collateral, as the same shall be approved by, and may be modified or supplemented from time to time after the Interim Order Effective Date but before the Final Order Effective Date, with the written consent of the Agent and Required Lenders in their sole and absolute discretion.

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

"Investment" means, with respect to any Person, any investment by such Person in any other Person (including Affiliates) in the form of loans, guarantees, advances, capital contributions (excluding (a) commission, travel, and similar advances to officers and employees of such Person made in the ordinary course of business, and (b) *bona fide* accounts receivable arising in the ordinary course of business), or acquisitions of Indebtedness, Equity Interests, or all or substantially all of the assets of such other Person (or of any division or business line of such other Person), and any other items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP. The amount of any Investment shall be the original cost of such Investment plus the cost of all additions thereto, without any adjustment for increases or decreases in value, or write-ups, write-downs, or write-offs with respect to such Investment.

"IRC" means the Internal Revenue Code of 1986, as amended, and any successor statutes, and all regulations and guidance promulgated thereunder. Any reference to a specific section of the IRC shall be deemed to be a reference to such section of the IRC and any successor statutes, and all regulations promulgated thereunder.

"Lender" has the meaning set forth in the preamble to the Agreement and shall also include any other Person made a party to the Agreement pursuant to the provisions of Section 13.1 of the Agreement and "Lenders" means each of the Lenders or any one or more of them.

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

"Lender Group Expenses" means, without duplication, all (a) reasonable and documented or invoiced costs or expenses (including taxes and insurance premiums) required to be paid by Parent or its Subsidiaries under any of the DIP Loan Documents that are paid, advanced, or incurred by the Agent, (b) reasonable and documented out-of-pocket fees or charges paid or incurred by Agent in connection with the Lender Group's transactions with Parent and its Subsidiaries under any of the DIP Loan Documents, including, photocopying, notarization, couriers and messengers, telecommunication, public record searches, filing fees, recording fees, publication, real estate surveys, real estate title policies and endorsements, and environmental audits, (c) Agent's customary fees and charges imposed or incurred in connection with any background checks or OFAC/PEP searches related to Parent or its Subsidiaries, (d) Agent's customary fees and charges (as adjusted from time to time) with respect to the disbursement of funds (or the receipt of funds) to or for the account of Borrower (whether by wire transfer or otherwise), together with any documented or invoiced out-of-pocket costs and expenses incurred in connection therewith, (e) customary charges imposed or incurred by Agent resulting from the

dishonor of checks payable by or to any Loan Party, (f) reasonable documented out-of-pocket costs and expenses paid or incurred by the Lender Group to correct any default or enforce any provision of the DIP Loan Documents, or during the continuance of an Event of Default, in gaining possession of, maintaining, handling, preserving, storing, shipping, selling, preparing for sale, or advertising to sell the DIP Collateral, or any portion thereof, irrespective of whether a sale is consummated (which, in the case of attorneys' fees, shall be limited to reasonable documented out-of-pocket attorneys' fees of one primary outside counsel to the Lender Group, which shall be King & Spalding LLP, and to the extent applicable, one local (including foreign) counsel in each relevant jurisdiction, and specialty counsel, regulatory counsel and, in the event of an actual or perceived conflict, counsel to avoid conflicts of interest as are required or advisable and in any case, shall not be duplicative of attorneys' fees pursuant to clause (i) below), (g) [intentionally omitted], (h) Agent's reasonable and documented costs and out-of-pocket expenses (including reasonable documented attorneys' fees and expenses of one outside counsel, except that such limitation shall not apply to the extent local (including foreign) counsel, specialty counsel, regulatory counsel or counsel to avoid conflicts of interest are required or advisable) relative to third party claims or any other lawsuit or adverse proceeding paid or incurred, whether in enforcing or defending the DIP Loan Documents or otherwise in connection with the transactions contemplated by the DIP Loan Documents, Agent's DIP Liens in and to the DIP Collateral, or the Lender Group's relationship with Parent or any of its Subsidiaries, (i) Agent's reasonable documented out-of-pocket costs and expenses, including due diligence expenses (which, in the case of attorneys' fees, shall be limited to reasonable documented out-of-pocket attorneys' fees of one primary outside counsel for Agent, and to the extent applicable, one local (including foreign) counsel in each relevant jurisdiction, and specialty counsel, regulatory counsel and counsel to avoid conflicts of interest as are required or advisable and in any case, shall not be duplicative of attorneys' fees pursuant to clause (f) above) incurred in advising, structuring, drafting, reviewing, administering (including travel, meals, and lodging), or amending, waiving, or modifying the DIP Loan Documents and in connection with the Chapter 11 Cases and the Recognition Proceedings, and (j) Agent's and each Lender's reasonable documented costs and expenses (including reasonable documented attorneys, accountants, consultants, and other advisors fees and expenses) incurred in terminating, enforcing (including attorneys, accountants, consultants, and other advisors fees and expenses incurred in connection with a response to a third-party subpoena or investigation, a "workout," a "restructuring," or an Insolvency Proceeding concerning Parent or any of its Subsidiaries or in exercising rights or remedies under the DIP Loan Documents), or defending the DIP Loan Documents, irrespective of whether a lawsuit or other adverse proceeding is brought, or in taking any enforcement action or any Remedial Action with respect to the DIP Collateral, which, in the case of attorneys' fees, shall be limited to reasonable documented out-of-pocket attorneys' fees of one primary outside counsel for each of the Agent and Lenders, and to the extent applicable, one local (including foreign) counsel in each relevant jurisdiction, and specialty counsel, regulatory counsel and counsel to avoid conflicts of interest as are required or advisable and in any case, shall not be duplicative of attorneys' fees pursuant to clauses (f) and (g) above).

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

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

"LIBOR Deadline" has the meaning specified therefor in Section 2.12(b)(i) of the Agreement.

"LIBOR Notice" means a written notice in the form of Exhibit L-1 to the Agreement.

"LIBOR Option" has the meaning specified therefor in Section 2.12(a) of the Agreement.

"LIBOR Rate" means the rate *per annum* (rounded upwards to the nearest 1/100th of 1.0%), for each Interest Period, equal to the greater of (i) the rate administered by ICE Benchmark Administration Limited at which US dollar deposits are offered by leading banks in the London interbank deposit market on the first day of each month for the relevant Interest Period and that appears on the Reuters Screen LIBOR01 Page as displayed in the Bloomberg Financial Markets System at 11:00 a.m. London time (or, if not so appearing, as published in the "Money Rates" section of The Wall Street Journal or another national publication selected by the Collateral Agent) two Business Days prior to the first day of such Interest Period, and (ii) one percent (1.00%) *per annum*; provided that the determination of the LIBOR Rate shall be made by Agent and shall be conclusive in the absence of manifest error.

"LIBOR Rate Loan" means each portion of the DIP Loans that bears interest at a rate determined by reference to the LIBOR Rate.

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

"Life of the Case" means the period beginning on the Petition Date and lasting through (and including) the Plan Effective Date of the Proposed Plan.

"Loan Parties" means Borrower and Guarantors.

"Management Services Agreement" means that certain Amended and Restated Management Services Agreement, dated as of June 9, 2017, by and between Sponsor and Parent, as the same may be further amended in accordance with the terms hereof.

"Margin Stock" has the meaning specified therefor in Regulation U of the Board of Governors as in effect from time to time.

"Material Adverse Effect" means any event, circumstance or condition that has had or would reasonably be expected to have a material and adverse effect on (a) the business or financial condition of the Loan Parties and their Subsidiaries, taken as a whole, (b) the ability of Loan Parties, taken as a whole, to perform their payment obligations under the DIP Loan Documents, or (c) the rights and remedies of Agent and the Lenders under the DIP Loan Documents, taken as a whole, in each case, except for the events leading up to the Chapter 11 Cases, the commencement of the Chapter 11 Cases and the events that customarily and reasonably result from the commencement of the Chapter 11 Cases.

"Maturity Date" means the earliest to occur of (a) the date that is one hundred fifty (150) days after the Petition Date, (b) the date that any sale of all or substantially all of the assets of the Loan Parties pursuant to Section 363 of the Bankruptcy Code is consummated, (c) if the Final DIP Order has not been entered, the date that is forty (40) days after the date of the First Day Hearing; (d) the Plan Effective Date of a Proposed Plan; and (e) the date of any acceleration of the DIP Loans hereunder or the termination of the DIP Loan Commitments hereunder.

"Milestones" has the meaning specified therefor in Section 8.9(m) of the Agreement.

"MNPI" means any material Nonpublic Information regarding Parent and its Subsidiaries or the DIP Loans or securities of any of them that has not been disclosed to the Lenders generally (other than Lenders who elect not to receive such information). For purposes of this definition "material Nonpublic Information" shall mean nonpublic information with respect to the business of Parent, Borrower or any of their Subsidiaries that would reasonably be expected to be material to a decision by any Lender to assign or acquire any DIP Loans or to enter into any of the transactions contemplated thereby or would otherwise be material for purposes of United States Federal and state securities laws.

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

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

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

"Net Cash Proceeds" means:

(a) with respect to any sale or disposition by Parent or any of its Subsidiaries of assets, the amount of cash proceeds received (directly or indirectly) from time to time (whether as initial consideration or through the payment of deferred consideration) by or on behalf of Parent or such Subsidiary, in connection therewith after deducting therefrom only (i) the amount of any Indebtedness secured by any Permitted Lien on any asset (other than (A) Indebtedness owing to Agent or any Lender under the Agreement or the other DIP Loan Documents and (B) Indebtedness assumed by the purchaser of such asset) which (subject to the Intercreditor Agreement and the DIP Orders) is required to be, and is, repaid in connection with such sale or disposition, (ii) reasonable fees, commissions, and expenses related thereto and required to be paid by Parent or such Subsidiary in connection with such sale or disposition, excluding amounts payable to a Loan Party or Affiliate thereof, (iii) taxes paid or payable to any taxing authorities by Parent or such Subsidiary in connection with such sale or disposition, in each case to the extent, but only to the extent, that the amounts so deducted are actually paid or anticipated to be payable, and are properly attributable to such transaction, and (iv) all amounts that are set aside as a reserve (A) for adjustments in respect of the purchase price of such assets, (B) for any liabilities associated with such sale or casualty, to the extent such reserve is required by GAAP,

and (C) for the payment of unassumed liabilities relating to the assets sold or otherwise disposed of at the time of, or within 90 days after, the date of such sale or other disposition, to the extent that in each case the funds described above in this clause (iv) are (x) deposited into escrow with a third party escrow agent or set aside in a separate Deposit Account that is subject to a Control Agreement in favor of Agent and (y) paid to Agent as a prepayment of the applicable DIP Facility Obligations in accordance with Section 2.4(e) of the Agreement at such time when such amounts are no longer required to be set aside as such a reserve.

"New York Courts" has the meaning specified therefor in Section 12.(b) of the Agreement.

"New York Supreme Court" has the meaning specified therefor in Section 12.(b) of the Agreement.

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

"Non-Defaulting Lender" means each Lender other than a Defaulting Lender.

"Notice of Intent to Assign" has the meaning specified therefor in Section 13.1(l) of the Agreement.

"Notification Event" means (a) the occurrence of a "reportable event" described in Section 4043(c) of ERISA with respect to a Pension Plan for which the 30-day notice requirement has not been waived by applicable regulations issued by the PBGC, (b) the withdrawal of any Loan Party or ERISA Affiliate from a Pension Plan during a plan year in which it was a "substantial employer" as defined in Section 4001(a)(2) of ERISA, (c) the termination of a Pension Plan, the filing of a notice of intent to terminate a Pension Plan or the treatment of a Pension Plan amendment as a termination, under Section 4041 of ERISA, if the plan assets are not sufficient to pay all plan liabilities, (d) the institution of proceedings to terminate, or the appointment of a trustee with respect to, any Pension Plan by the PBGC or any Pension Plan or Multiemployer Plan administrator, (e) any other event or condition that would constitute grounds under Section 4042(a) of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan, (f) the imposition of a Lien pursuant to the IRC or ERISA in connection with any Employee Benefit Plan or the existence of any facts or circumstances that could reasonably be expected to result in the imposition of a Lien, (g) the partial or complete withdrawal of any Loan Party or ERISA Affiliate from a Multiemployer Plan (other than any withdrawal that would not constitute an Event of Default under Section 8.11), (h) any event or condition that results in the insolvency of a Multiemployer Plan under Section 4245 of ERISA, (i) any event or condition that results in the termination of a Multiemployer Plan under Section 4041A of ERISA or the institution by the PBGC of proceedings to terminate or to appoint a trustee to administer a Multiemployer Plan under ERISA, (j) any Pension Plan being in "at risk status" within the meaning of IRC Section 430(i), (k) any Multiemployer Plan being in "endangered status" or "critical status" within the meaning of IRC Section 432(b) or the determination that any Multiemployer Plan is or is expected to be insolvent within the meaning of Title IV of ERISA, (l) with respect to any Pension Plan, any Loan Party or ERISA Affiliate incurring a substantial cessation of operations within the meaning of ERISA Section 4062(e),

(m) an "accumulated funding deficiency" within the meaning of the IRC or ERISA (including Section 412 of the IRC or Section 302 of ERISA) or the failure of any Pension Plan or Multiemployer Plan to meet the minimum funding standards within the meaning of the IRC or ERISA (including Section 412 of the IRC or Section 302 of ERISA), in each case, whether or not waived, (n) the filing of an application for a waiver of the minimum funding standards within the meaning of the IRC or ERISA (including Section 412 of the IRC or Section 302 of ERISA) with respect to any Pension Plan or Multiemployer Plan, (o) the failure to make by its due date a required payment or contribution with respect to any Pension Plan or Multiemployer Plan, or (p) any event that results in or could reasonably be expected to result in a liability by a Loan Party pursuant to Title I of ERISA or the excise tax provisions of the IRC relating to Employee Benefit Plans or any event that results in or could reasonably be expected to result in a liability to any Loan Party or ERISA Affiliate pursuant to Title IV of ERISA or Section 401(a)(29) of the IRC.

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

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

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

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

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

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

"Participant Register" has the meaning set forth in Section 13.1(i) of the Agreement.

"Patent Security Agreement" has the meaning specified therefor in the Guaranty and Security Agreement.

"Patriot Act" has the meaning specified therefor in Section 4.13 of the Agreement.

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

"Pending Assignment Notice" has the meaning specified therefor in Section 13.1(l) of the Agreement.

"Pension Plan" means any Employee Benefit Plan, other than a Multiemployer Plan, which is subject to the provisions of Title IV or Section 302 of ERISA or Sections 412 or 430 of the Code sponsored, maintained, or contributed to by any Loan Party or which any Loan Party has any liability (including on behalf of an ERISA Affiliate), excluding any Canadian Pension Plan.

"Permitted Dispositions" means:

(a) sales, abandonment, or other dispositions of Equipment that is substantially worn, damaged, or obsolete or no longer used or useful in the ordinary course of business and leases or subleases (or the termination or abandonment thereof) of Real Property not useful in any material respect in the conduct of the business of Parent and its Subsidiaries,

(b) sales of ABL Priority Collateral permitted under the ABL DIP Facility Documents and in accordance with the Intercreditor Agreement,

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

(d) the licensing or sub-licensing of Intellectual Property rights in the ordinary course of business,

(e) the granting of Permitted Liens,

(f) the sale or discount, in each case without recourse, of accounts receivable arising in the ordinary course of business, but only in connection with the compromise or collection thereof,

(g) any involuntary loss, damage or destruction of property,

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

(i) the leasing or subleasing of assets of Parent or its Subsidiaries in the ordinary course of business,

(j) the making of Restricted Payments that are expressly permitted to be made pursuant to the Agreement,

(k) the making of Permitted Investments that are expressly permitted to be made pursuant to the Agreement,

(l) the expiration, abandonment or lapse of patents, trademarks, copyrights, domain names or other intellectual property of Parent and its Subsidiaries (i) to the extent immaterial or not economically desirable in the conduct of their business (ii) in accordance with their respective statutory terms, or (iii) in the ordinary course of business,

(m) sales or dispositions between or among Loan Parties,

(n) voluntary terminations of any Hedge Agreements,

(o) the discount or compromise of notes or accounts receivable (other than Eligible Accounts (as defined in the ABL DIP Facility Documents)) for less than the face value in the resolution of disputes that occur in the ordinary course of business,

(p) the sale or disposition of shares of Equity Interests of any Subsidiary of Borrower (i) in order to qualify members of the governing body of the Subsidiary if and to the extent required by applicable law or (ii) to nationals of the jurisdiction of organization of any Subsidiary to the extent required by applicable law, and

(q) so long as no Event of Default has occurred and is continuing, sales of fixed assets in Toronto for cash consideration in an amount not to exceed $500,000 in the aggregate.

"Permitted Indebtedness" means:

(a) the DIP Facility Obligations, including Indebtedness evidenced by the Agreement or the other DIP Loan Documents,

(b) the Pre-Petition Term Obligations incurred by the Loan Parties pursuant to the Pre-Petition Term Facility,

(c) Indebtedness constituting Permitted Investments,

(d) Indebtedness of the Parent or any of its Subsidiaries arising from the honoring of a check, draft or similar instrument of such Person drawn against insufficient funds in the ordinary course of business, provided that such Indebtedness is extinguished within five Business Days of its incurrence;

(e) Indebtedness of the Parent or any Subsidiary in respect of (A) letters of credit, bankers' acceptances or other similar instruments or obligations issued, or relating to liabilities or obligations incurred in the ordinary course of business under indemnity, performance, surety, statutory, appeal and similar bonds, worker's compensation claims, bonds, letters of credit and completion guarantees, or (B) completion guarantees, surety, judgment, appeal or performance bonds, or other similar bonds, instruments or obligations, provided, or relating to liabilities or obligations incurred, in the ordinary course of business or (C) netting, overdraft protection and other arrangements arising under standard business terms of any bank at which the Parent or any of its Subsidiaries maintains an overdraft, cash pooling or other similar facility or arrangement,

(f) Indebtedness under the ABL DIP Facility Documents in an aggregate principal amount not to exceed the amount thereof permitted under the DIP Orders, together with any Refinancing (as defined in the Intercreditor Agreement) thereof in accordance with the Intercreditor Agreement,

(g) the Senior ABL Facility Obligations incurred by the Loan Parties pursuant to the Senior ABL Facility Documents, in a maximum principal amount for all such Indebtedness at any time outstanding not to exceed the amount thereof permitted under the DIP Orders, together with any Refinancing (as defined in the Intercreditor Agreement) thereof in accordance with the Intercreditor Agreement,

(h) Indebtedness incurred in the ordinary course of business in respect of credit cards, credit card processing services, debit cards, stored value cards, purchase cards (including so-called "procurement cards" or "P-cards"), or Cash Management Services,

(i) Indebtedness permitted to be incurred in accordance with the DIP Orders,

(j) Indebtedness incurred in the ordinary course of business owed to any Person providing property, casualty, liability, or other insurance to Parent or any of its Subsidiaries, so long as the amount of such Indebtedness is not in excess of the amount of the unpaid cost of, and shall be incurred only to defer the cost of, such insurance for the year in which such Indebtedness is incurred and such Indebtedness is outstanding only during such year,

(k) endorsement of instruments or other payment items for deposit,

(l) the incurrence by Parent or its Subsidiaries of Indebtedness under Hedge Agreements that are incurred for the bona fide purpose of hedging the interest rate, commodity, or foreign currency risks associated with Parent's and its Subsidiaries' operations and not for speculative purposes,

(m) unsecured Indebtedness (subject to customary rights of setoff) incurred in respect of netting services, overdraft protection, and other like services, in each case, incurred in the ordinary course of business,

(n) Indebtedness representing deferred compensation or similar obligations to employees incurred in the ordinary course of business,

(o) accrual of interest, accretion or amortization of original issue discount, or the payment of interest in kind, in each case, on Indebtedness that otherwise constitutes Permitted Indebtedness,

(p) to the extent constituting Indebtedness, unsecured Indebtedness consisting of take-or-pay obligations contained in supply agreements entered into by any Loan Party in the ordinary course of business consistent with past practices not to exceed at any time outstanding an amount equal to $500,000,

(q) Indebtedness in respect of workers' compensation claims, self-insurance obligations, expert or import indemnitees or similar instruments, customs bonds, governmental contracts and leases provided a by Loan Party in the ordinary course of its business and under any letters of credit, bank guarantees or similar instruments supporting the same,

(r) Indebtedness in respect of taxes, assessments or governmental charges to the extent that payment thereof shall not at the time be required to be made in accordance with Section 5.5,

(s) Indebtedness owing to a landlord arising under a lease of Real Property as a result of an ordinary course "build out" provision in connection with the financing by such landlord of leasehold improvements,

(t) unsecured guarantees issued by (x) Loan Parties to guaranty the underlying Indebtedness of another Loan Party and (y) a Subsidiary of Parent that is not a Loan Party to guaranty the underlying indebtedness of any other Subsidiary of Parent to the extent that such Subsidiary is a party to an Intercompany Subordination Agreement, in each case to the extent

that such Indebtedness is permitted under this Agreement (other than guaranties by US Borrower (as defined in the ABL DIP Facility Agreement) or any US Guarantor (as defined in the ABL DIP Facility Agreement) of any Indebtedness of any Canadian Loan Party (as defined in the ABL DIP Facility Documents), except for the US Guaranty (as defined in the ABL DIP Facility Agreement)),

(u) Indebtedness of a Foreign Subsidiary (other than Canadian Borrower (as defined in the ABL DIP Facility Agreement) or any Subsidiary organized under the laws of Canada or a province thereof) in an aggregate principal amount not to exceed $1,000,000 at any time, and

(v) Indebtedness outstanding on the Petition Date and set forth on Schedule 4.14 to the Agreement.

"Permitted Intercompany Advances" means loans and other Investments made by (a) a Loan Party to another Loan Party, (b) a Subsidiary of Parent that is not a Loan Party to another Subsidiary of Parent that is not a Loan Party, (c) a Subsidiary of Parent that is not a Loan Party to a Loan Party, so long as the parties thereto are party to the Intercompany Subordination Agreement, (d) a Loan Party to a Subsidiary of Parent that is not a Loan Party so long as (i) the aggregate amount of all such loans and other Investments after the Effective Date does not exceed the greater of $500,000 outstanding at any one time and the amount of such loan or Investment permitted to be made as "other payables" under the Approved Budget, and (ii) at the time of the making of such loan or other Investment, no Default Event of Default has occurred and is continuing or would result therefrom, and (e) loans made from proceeds of a Canadian Borrowing (as defined in the ABL DIP Facility Agreement) by the Canadian Borrower (as defined in the ABL DIP Facility Agreement) to any US Borrower (as defined in the ABL DIP Facility Agreement) secured against assets of the US Borrowers (as defined in the ABL DIP Facility Agreement) pursuant to the DIP Orders, provided that such security is junior to the Liens securing the Existing Secured US Obligations (as defined in the ABL DIP Facility Agreement) and the US Obligations (as defined in the ABL DIP Facility Agreement).

"Permitted Investments" means:

(a) Investments in cash and Cash Equivalents,

(b) Investments in negotiable instruments deposited or to be deposited for collection in the ordinary course of business,

(c) advances and extensions of trade credit made in connection with purchases of goods or services in the ordinary course of business and consistent with past practices,

(d) Investments received in settlement of amounts due to any Loan Party or any of its Subsidiaries effected in the ordinary course of business or owing to any Loan Party or any of its Subsidiaries as a result of Insolvency Proceedings involving an Account Debtor, upon the foreclosure or enforcement of any Lien in favor of a Loan Party or its Subsidiaries or in connection with an out-of-court restructuring of an Account Debtor,

(e) Investments owned by any Loan Party or any of its Subsidiaries on the Effective Date and set forth on Schedule P-1 to the Agreement,

(f) guarantees permitted under the definition of Permitted Indebtedness,

(g) Permitted Intercompany Advances,

(h) receivables owing to the Parent or any of its Subsidiaries, if created or acquired in the ordinary course of business,

(i) [reserved],

(j) deposits of cash outstanding on the Petition Date made in the ordinary course of business to secure performance of operating leases,

(k) Equity Interests or other securities acquired in connection with the satisfaction or enforcement of Indebtedness or claims due or owing to a Loan Party or its Subsidiaries (in bankruptcy of customers or suppliers or otherwise outside the ordinary course of business) or as security for any such Indebtedness or claims,

(l) [reserved],

(m) so long as no Event of Default has occurred and is continuing at the time such Investment is made or would result therefrom, any other Investments in an aggregate amount not to exceed the lesser of $250,000 outstanding at any time and the amounts therefor permitted in compliance with the Approved Budget,

(n) Investments (i) by Borrower or any Subsidiary that is a Loan Party in Borrower or any Subsidiary that is a Loan Party, (ii) by any non-Loan Party in any other non-Loan Party that is a Subsidiary and (iii) by any non-Loan Party in Borrower or any Subsidiary that is a Loan Party,

(o) Investments consisting of obligations under Hedge Agreements permitted by Section 6.1,

(p) advances in connection with purchases of goods or services in the ordinary course of business and consistent with past practice solely to the extent set forth in Approved Budget, and

(q) Advances of payroll payments to employees in the ordinary course of business to the extent set forth in the Approved Budget.

"Permitted Liens" means

(a) Liens granted to, or for the benefit of, Agent to secure any of the DIP Facility Obligations,

(b) Liens for unpaid Taxes, assessments, or other governmental charges or levies, and other statutory inchoate Liens, in each case that either (i) are not more than thirty days past due or (ii) the underlying Taxes, assessments, charges, levies or other obligations are the subject of Permitted Protests,

(c) judgment Liens arising solely as a result of the existence of judgments, orders, or awards that do not constitute an Event of Default under Section 8.3 of the Agreement so long as such judgments are stayed during the pendency of the Chapter 11 Cases,

(d) the interests of lessors and sublessors under operating leases and subleases and non-exclusive licensors and sublicensors under license agreements and sublicense agreements, in each case, incurred in the ordinary course of business,

(e) Liens arising by operation of law in favor of warehousemen, landlords, carriers, mechanics, materialmen, laborers, contractor, or suppliers, construction liens and other like liens, in each case incurred in the ordinary course of business and not in connection with the borrowing of money, and which Liens either (i) are for sums not more than thirty days past due, or (ii) are the subject of Permitted Protests,

(f) Liens on amounts deposited to secure Parent's and its Subsidiaries obligations in connection with worker's compensation or other unemployment insurance and other social security legislation or other insurance related obligations (including obligations in respect of letters of credit, bank guarantees or similar instruments) securing the same,

(g) Liens on amounts or Cash Equivalents deposited to secure Parent's and its Subsidiaries obligations in connection with the making or entering into of bids, tenders, contracts, or leases in the ordinary course of business, or statutory obligations and, in each case not in connection with the borrowing of money,

(h) Liens on amounts deposited to secure Parent's and its Subsidiaries reimbursement obligations with respect to surety, performance, bid, or appeal bonds, completion guarantees and similar obligations, or letters of credit, bank guarantees or similar instruments obtained in the ordinary course of business,

(i) with respect to any Real Property, (i) easements, covenants, conditions, reservations, declarations, rights of way, and zoning restrictions (including deed restrictions utilized in connection with any Remedial Actions required under Environmental Laws) and other similar matters of record affecting title to such Real Property, (ii) any state of facts that a current accurate survey and visual inspection would disclose, in either case, that do not materially interfere with or impair the use or operation thereof and (iii) all Liens and other matters disclosed in any Mortgage title insurance policy,

(j) licenses and sublicenses of Intellectual Property rights in existence as of the Effective Date or thereafter in the ordinary course of business,

(k) Liens granted or authorized by the DIP Orders, including, without limitation, replacement Liens granted to Senior ABL Facility Agent and Liens granted by US Borrowers (as defined in the ABL DIP Facility Agreement) to the Canadian Borrower (as defined in the ABL DIP Facility Agreement) to secure Permitted Intercompany Advances,

(l) (i) rights of setoff or bankers' liens upon deposits of funds in favor of banks or other depository institutions, solely to the extent incurred in connection with the maintenance of Deposit Accounts in the ordinary course of business, (ii) Liens of a collection bank arising under

Section 4-208 of the Uniform Commercial Code on the items in the course of collection, and (iii) Liens attaching to commodity trading accounts or other commodities brokerage accounts incurred in the ordinary course of business and not for speculative purposes,

(m) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties not yet delinquent in connection with the importation of goods,

(n) Liens on amounts deposited to secure amounts incurred in the ordinary course of business owing to public utilities or to any municipalities or Governmental Authorities or other public authority when required by the utility, municipality or Governmental Authorities or other public authority in connection with the supply of services or utilities to any Loan Party,

(o) Liens on specific items of inventory or other goods and proceeds thereof of any Person securing such Person's obligations in respect of bankers' acceptances or letters of credit issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or such other goods in the ordinary course of business,

(p) Liens securing the (x) Senior ABL Facility Obligations, (y) ABL DIP Facility Obligation, and (z) the Pre-Petition Term Facility Obligations,

(q) contractual rights of set-off relating to purchase orders and other agreements entered into in the ordinary course of business,

(r) inchoate Liens in respect of Canadian Priority Payables and Liens for which a "Canadian Priority Payables Reserve" (as defined therein) for the amount of such Lien has been established under the ABL DIP Facility Agreement,

(s) Liens set forth on Schedule 1.1A to the Agreement; provided, that to qualify as a Permitted Lien, any such Lien described on Schedule 1.1A to the Agreement shall only secure the Indebtedness that it secures on the Effective Date,

(t) Liens on assets securing the Senior ABL Facility Obligations subject to the Intercreditor Agreement,

(u) Liens granted in the ordinary course of business on the unearned portion of insurance premiums securing the financing of insurance premiums to the extent the financing is permitted under Section 6.1,

(v) Liens granted to, or for the benefit of, Pre-Petition Term Agent to secure the Pre-Petition Term Facility Obligations,

(w) Liens in the nature of precautionary UCC or PPSA filings (or similar filings) by lessors under operating leases,

(x) any interest of a lessee or sublessee or licensee under any lease or license of excess office, warehouse or other space by a Loan Party in the ordinary course of business consistent with past practices, and

(y) the Administration Charge (as defined in the ABL Facility Documents).

"Permitted Priority Lien" means Permitted Liens that, under applicable law, are senior to, and have not been subordinated to, the liens of the Agents under the DIP Loan Documents, but only to the extent that such liens are valid, enforceable and non-avoidable liens as of the Petition Date (or as may be permitted to be perfected on the Petition Date pursuant to Section 546 of the Bankruptcy Code).

"Permitted Protest" means the right of Parent or any of its Subsidiaries to protest any Lien (other than any Lien that secures the DIP Facility Obligations), Taxes, or rental or other lease payment, provided that (a) a reserve with respect to such obligation is established on Parent's or its Subsidiaries' books and records in such amount as is required under GAAP, (b) any such protest is instituted promptly and prosecuted in accordance with applicable law diligently by Parent or its Subsidiary, as applicable, in good faith, and (c) Agent is reasonably satisfied that, while any such protest is pending, there will be no impairment of the enforceability, validity, or priority of any of Agent's Liens.

"Permitted Tax Distributions" means, except as otherwise noted in this definition below, for the calendar year (or portion thereof) ending December 31, 2019 and each calendar year (or portion thereof) ending December 31 thereafter, distributions in the aggregate amount (1) if (A) Parent is not a Flow Through Entity and (B) Borrower is not a Flow Through Entity and Parent is a member (other than the parent) of a consolidated, combined or other similar group for tax purposes, an amount necessary to permit the parent of the aforementioned group to pay estimated or final federal income tax attributable to the taxable income of Borrower and its Subsidiaries for U.S. federal income tax purposes, provided that such payments shall not exceed the amount Borrower and its Subsidiaries would be required to pay if they filed as part of a consolidated, combined, or other similar group for tax purposes separately from the common parent with Borrower as the parent of such hypothetical group, or (2) if Borrower, Holdings and Parent are all Flow Through Entities, an amount equal to the sum of the aggregate net taxable income of Borrower for U.S. federal income tax purposes for the taxable year multiplied by the Effective Tax Rate; provided that such aggregate net taxable income shall be computed (i) as if all excess taxable losses and excess taxable credits of the company were carried forward (taking into account the character of any such loss carryforward as capital or ordinary) and (ii) taking into account any special basis adjustment resulting from an election under IRC Section 754. Borrower shall be permitted to make estimated tax distributions based on good faith estimates of the taxable income of Borrower and its Subsidiaries. Within ten (10) days of the filing of the federal income tax return of Parent it shall provide Agent with a signed declaration of the accountant that prepared such return of the amount of taxable income or loss from Borrower and its Subsidiaries that was reflected on such tax return. To the extent estimated Permitted Tax Distributions exceed final Permitted Tax Distributions for any calendar year, such excess, if already distributed, shall be returned to the Borrower. For purposes of this definition, "taxable income" of Borrower and its Subsidiaries shall include the taxable income of Borrower and its Subsidiaries (included pursuant to Section 951 and Section 951A of the IRC) only to the extent Borrower and its Subsidiaries receive from such Excluded Subsidiary an amount sufficient to pay all income taxes attributable to such taxable income.

"Permitted Variances" means, with respect to determining compliance with Section 6.19 relating to the Borrower's cash receipts, cash disbursements and net cash flow, (i) all variances favorable to the Borrowers and their Subsidiaries; (ii) with respect to determining compliance with Section 6.19(e) or 6.19(f) as of the end of any Testing Period, an unfavorable cumulative variance of 10.0% (in each case compared to the relevant amounts forecast for the same period in the Approved Budget); and (iii) with respect to determining compliance with Section 6.19(g) as of the end of any Testing Period, an unfavorable cumulative variance of 15.0% (in each case compared to the amount forecast for the same period in the Approved Budget).

"Persons" means natural persons, corporations, limited liability companies, limited partnerships, unlimited liability companies, general partnerships, limited liability partnerships, joint ventures, trusts, land trusts, business trusts, or other organizations, irrespective of whether they are legal entities, and governments and agencies and political subdivisions thereof.

"Petition Date" has the meaning specified therefor in the recitals.

"Plan Effective Date" means the date in which all conditions precedent to the effectiveness of a Proposed Plan has been satisfied or waived in accordance with the Proposed Plan.

"Post-Carve Out Trigger Notice Cap" has the meaning specified therefor in Section 2.14(d) of the Agreement.

"Pre-Petition Payment" means a payment (by way of adequate protection or otherwise) of principal or interest or otherwise on account of any pre-petition Indebtedness, trade payables or other pre-petition claims against any Loan Party.

"Pre-Petition Term Agent" means Barings Finance LLC in its capacity as agent for the Pre-Petition Term Lenders under the Pre-Petition Term Facility Documents, or any successor agent under the Pre-Petition Term Facility Documents.

"Pre-Petition Term Facility Agreement" means that certain Term Loan Credit Agreement, dated as of June 9, 2017, by and among the Borrower, the Parent Guarantors, the Pre-Petition Term Agent, the Pre-Petition Term Lenders, as the same may be amended, supplemented, waived or otherwise modified from time to time.

"Pre-Petition Term Facility" means the Pre-Petition Term Facility Agreement, any Pre-Petition Term Facility Documents, any notes issued pursuant thereto and any guarantee and collateral agreement, patent and trademark security agreement, mortgages, and other guarantees, pledge agreements, security agreements and collateral documents, and other instruments and documents, executed and delivered pursuant to or in connection with any of the foregoing, in each case as the same may be amended, supplemented, waived or otherwise modified from time to time.

"Pre-Petition Term Facility Documents" means the "Loan Documents" as defined in the Pre-Petition Term Facility Agreement, as the same may be amended, supplemented, waived, or otherwise modified from time to time.

"Pre-Petition Term Lenders" means the lenders from time to time party to the Pre-Petition Term Facility Agreement.

"Pre-Petition Term Liens" means the Liens securing the Pre-Petition Term Obligations.

"Pre-Petition Term Obligations" means the "Obligations" under and as defined in the Pre-Petition Term Facility Agreement.

"Prepayment Date" has the meaning specified therefor in Section 2.4(f) of the Agreement.

"Proposed Plan" has the meaning specified therefor in Section 8.9(m)(iv) of this Agreement.

"Pro Rata Share" means, as of any date of determination:

(a) with respect to a Lender's obligation to make all or a portion of the DIP Loans of any tranche, with respect to such Lender's right to receive payments of interest, fees, and principal with respect to the DIP Loans of such tranche, and with respect to all other computations and other matters related to the DIP Loans of such tranche, the percentage obtained by dividing (i) the DIP Loan Commitments (or, if such DIP Loan Commitments are terminated, the outstanding DIP Loans) of such tranche owed to such Lender by (ii) the aggregate DIP Loan Commitments (or, if such DIP Loan Commitments are terminated, the aggregate outstanding DIP Loans) of such tranche owed to all Lenders, and

(b) with respect to all other matters and for all other matters as to a particular Lender (including the indemnification obligations arising under Section 15.7 of the Agreement), the percentage obtained by dividing (i) the DIP Loan Commitments (or, if such DIP Loan Commitments are terminated, the outstanding DIP Loans) of the relevant tranche owed to such Lender by (ii) the aggregate DIP Loan Commitments (or, if such DIP Loan Commitments are terminated, the aggregate outstanding DIP Loans) of the relevant tranche owed to all Lenders, in any such case as the applicable percentage may be adjusted by assignments permitted pursuant to Section 13.1; provided, that if all of the DIP Loans of the relevant tranche have been repaid in full, and all DIP Loan Commitments of the relevant tranche have been terminated, Pro Rata Share under this clause shall be determined as if the DIP Loans of the relevant tranche had not been repaid and shall be based upon the DIP Loans of the relevant tranche as they existed immediately prior to their repayment.

"Qualified Equity Interests" means and refers to any Equity Interests issued by Parent (and not by one or more of its Subsidiaries) that is not a Disqualified Equity Interest.

"Real Property" means any estates or interests in real property now owned or hereafter acquired by Parent or one of its Subsidiaries and the improvements thereto, including without limitation the Real Property Collateral.

"Real Property Collateral" means the Real Property identified on Schedule R-1 to the Agreement and any Real Property hereafter acquired by any Loan Party in fee simple with a fair market value greater than $1,000,000.

"Recipient" means (a) Agent and (b) any Lender, as applicable.

"Recognition Proceedings" means the recognition proceeding commenced under Part IV of the Companies' Creditors Arrangement Act in the Ontario Superior Court of Justice (Commercial List) to recognize the Chapter 11 Cases as "foreign main proceedings".

"Record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

"Recovery Event" means any settlement of or payment in respect of any property or casualty insurance claim or any condemnation proceeding relating to any asset of any Loan Party giving rise to Net Cash Proceeds to such Loan Party, as the case may be, to the extent that such settlement or payment does not constitute reimbursement or compensation for amounts previously paid by the Borrower or any other Loan Party in respect of such casualty or condemnation.

"Register" has the meaning set forth in Section 13.1(h) of the Agreement.

"Registered Loan" has the meaning set forth in Section 13.1(h) of the Agreement.

"Related Agreements" means the DIP Loan Documents, the RSA and all other agreements or instruments executed in connection with the Related Transactions.

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

"Related Transactions" means (i) the execution, delivery and performance by the Loan Parties of this Agreement and each other DIP Loan Document to which they are a party, the initial borrowing under of the DIP Loan and the use of the proceeds thereof, and the grant of DIP Liens by the Borrower on the DIP Collateral pursuant to this Agreement, the DIP Orders and the Guaranty and Security Agreement, (ii) the commencement and filing of the Chapter 11 Cases and (iii) the payment of all fees, costs and expenses associated with all of the foregoing.

"Remedial Action" means all actions taken to (a) clean up, remove, remediate, contain, treat, monitor, assess, evaluate, or in any way address Hazardous Materials in the environment, (b) prevent or minimize a release or threatened release of Hazardous Materials so they do not migrate or endanger or threaten to endanger public health or welfare or the environment, (c) restore or reclaim natural resources or the environment, (d) perform any pre-remedial studies, investigations, or post-remedial operation and maintenance activities, or (e) conduct any other actions with respect to Hazardous Materials required by Environmental Laws.

"Replacement Lender" has the meaning specified therefor in Section 2.13(b) of the Agreement.

"Required Lenders" means, at any time, Lenders having or holding more than 50% of the sum of the aggregate outstanding DIP Loans of all Lenders; provided, that the outstanding DIP Loans of any Defaulting Lender shall be disregarded in the determination of the Required Lenders; provided, further, that if at any time there are two (2) or more Lenders, then at least two (2) Lenders shall be necessary to constitute Required Lenders (for purposes of this proviso, a Lender and any other Lenders that are Affiliates or Related Funds of such Lender shall be counted as a single Lender).

"Responsible Officer" of any Person means the chief executive officer, the president, executive vice president, any senior vice president, any vice president, the chief operating officer, the legal representative, the general manager or any Financial Officer of such Person and any other individual or similar official thereof responsible for the administration of the obligations of such Person in respect of the Agreement. Agent and each Lender shall be entitled to conclusively presume that (i) any document delivered hereunder that is signed by a Responsible Officer of a Loan Party has been authorized by all necessary corporate, partnership and/or other action on the part of such Loan Party, and (ii) such Responsible Officer has acted on behalf of such Loan Party.

"Restricted Asset Sale Proceeds" means, in respect of a Foreign Asset Sale, an amount equal to the Net Cash Proceeds attributable thereto if and solely to the extent that the repatriation of such Net Cash Proceeds to Borrower (a) would result in material (relative to the amount of the Foreign Asset Sale) adverse Tax consequences to Parent or any of its Subsidiaries (taking into account any foreign tax credit that would be realized in connection with such repatriation) or (b) would be prohibited (but only for so long as such prohibition is in effect) or restricted (but only to the extent of such restriction and, then, only for so long as such restriction is in effect) by applicable law, rule or regulation, organizational document of the applicable Foreign Subsidiary, or pre-existing contract (so long as (i) such contractual obligation or restriction or organizational document was not entered into or imposed in contemplation of such repatriation and (ii) unless such prohibition or restriction is required to be included under applicable law, rule, or regulation, if there are commercially reasonable measures available to remove such prohibition or restriction from its organizational documents, such Foreign Subsidiary has taken such commercially reasonable measures). For purposes of this definition, if an officer's certificate setting forth a calculation in reasonable detail of the amount of Restricted Asset Sale Proceeds in respect of any Foreign Asset Sale is delivered to Agent, such certificate shall be prima facie evidence of such amount unless Agent or any Lender notifies Borrower within 10 Business Days after such certificate is received by Agent that it (i) disagrees with such determination (including a description of the basis upon which it disagrees) or (ii) reasonably requires additional information in order to determine whether it agrees or disagrees with such determination.

"Restricted Payment" means to (a) declare or pay any dividend or make any other payment or distribution, directly or indirectly, on account of Equity Interests issued by Parent (including any such payment in connection with any merger, amalgamation or consolidation involving Parent) or to the direct or indirect holders of Equity Interests issued by Parent in their capacity as such (other than dividends or distributions payable in Qualified Equity Interests issued by Parent), or (b) purchase, redeem, make any sinking fund or similar payment, or otherwise acquire or retire for value (including in connection with any merger, amalgamation or consolidation involving Parent) any Equity Interests issued by Parent, and (c) make any payment

to retire, or to obtain the surrender of, any outstanding warrants, options, or other rights to acquire Equity Interests of Parent now or hereafter outstanding.

"RSA" means a Restructuring Support Agreement, dated as of the date hereof, entered into by the Loan Parties, the Agent, and certain of the Pre-Petition Term Lenders, and the other parties thereto.

"Sanctioned Entity" means (a) a country or a government of a country, (b) an agency of the government of a country, (c) an organization directly or indirectly controlled by a country or its government, (d) a Person resident in or determined to be resident in a country, in each case, that is subject to a comprehensive country sanctions program administered and enforced by OFAC.

"Sanctioned Person" means a person named on the list of Specially Designated Nationals maintained by OFAC.

"S&P" has the meaning specified therefor in the definition of Cash Equivalents.

"SEC" means the United States Securities and Exchange Commission and any successor thereto.

"Securities Account" means a securities account (as that term is defined in the Code).

"Securities Act" means the Securities Act of 1933, as amended from time to time, and any successor statute.

"Security Documents" means the Guaranty and Security Agreement, each Mortgage related to any mortgaged real property, and all other similar security documents hereafter delivered to the Agent granting or perfecting a DIP Lien on any asset or assets of any Person to secure the obligations and liabilities of the Loan Parties hereunder and/or under any of the other DIP Loan Documents or to secure any guarantee of any such obligations and liabilities, in each case, as amended, supplemented, waived or otherwise modified from time to time. For the avoidance of doubt, the DIP Orders shall constitute "Security Documents" for all purposes hereunder.

"Selling Lender" has the meaning specified therefor in Section 13.1(l) of the Agreement.

"Senior ABL Agreement" means the Third Amended and Restated Credit Agreement, dated as of June 9, 2017, by and among the Parent Guarantors, Borrower, Hollander Sleep Products Canada Limited, certain subsidiaries of Parent, the Senior ABL Facility Agent, the lenders party thereto and the other parties thereto.

"Senior ABL Facility Agent" means Wells Fargo Bank, National Association, in its capacity as administrative agent under the Senior ABL Facility Documents, together with its successors and assigns.

"Senior ABL Facility" means the Senior ABL Agreement, any Senior ABL Facility Documents, any notes and letters of credit issued pursuant thereto and any guarantee and

collateral agreement, patent and trademark security agreement, mortgages, letter of credit applications and other guarantees, pledge agreements, security agreements and collateral documents, and other instruments and documents, executed and delivered pursuant to or in connection with any of the foregoing, in each case as the same may be amended, supplemented, waived or otherwise modified from time to time.

"Senior ABL Facility Documents" means the "Loan Documents" as defined in the Senior ABL Agreement, as the same may be amended, supplemented, waived, otherwise modified, extended, renewed, refinanced or replaced from time to time.

"Senior ABL Facility Lenders" means the lenders under the Senior ABL Agreement.

"Senior ABL Facility Obligations" means the "Obligations", as defined in the Senior ABL Agreement.

"Sponsor" means Sentinel Capital Partners, L.L.C.

"Sponsor Affiliated Entity" means Sponsor or any of its Affiliates (other than Loan Parties or their Subsidiaries and other than operating portfolio companies of Sponsor and its Affiliates).

"Subsidiary" of a Person means a corporation, partnership, limited liability company, unlimited liability company or other entity in which that Person directly or indirectly owns or controls the Equity Interests having ordinary voting power to elect a majority of the Board of Directors of such corporation, partnership, limited liability company, unlimited liability company, or other entity.

"Taxes" or "taxes" means any taxes, levies, imposts, duties, fees, assessments or other charges of whatever nature now or hereafter imposed by any jurisdiction or by any political subdivision or taxing authority thereof or therein, and all interest, penalties or similar liabilities with respect thereto.

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

"Term Loan Priority Collateral" has the meaning specified therefor in the Intercreditor Agreement.

"Termination Event" has the meaning specified therefor in Section 8.9 of the Agreement.

"Testing Period" means (x) as of end of the week that is the third Friday after the Petition Date, the period commencing with the first day of the first calendar week covered by the Approved Budget and ending with the last day of such week; and (y) as of the end of each consecutive two-week period ending thereafter (ending with the last such full two-week period ending during the Life of the Case), the period commencing with the first day of the first calendar week covered by the Approved Budget and ending with the last day of the applicable week referenced in this clause (y).

"TL Deposit Account" means a non-interest bearing cash collateral account established and maintained by the Borrower at an office of the Collateral Account Bank in the name, and, subject to the DIP Orders, under the "control" (as defined in the Uniform Commercial Code as in effect from time to time in the State of New York) of the Agent for the benefit of the Secured Parties; provided that until such time as such account subject to a lien or control agreement securing the Obligations is established, TL Deposit Account shall mean arrangements of substantially similar effect reasonably satisfactory to the Agent (and set forth in the DIP Orders) for such funds to be deposited with and maintained in the Debtors' account(s) at Wells Fargo). For the avoidance of doubt, any requirement to enter into a control agreement with respect to the TL Deposit Account shall be satisfied by entering into such agreement with the Agent, with control to be exercised in accordance with the DIP Orders.

"Trademark Security Agreement" has the meaning specified therefor in the Guaranty and Security Agreement.

"Unasserted Contingent Indemnification Obligations" means contingent indemnification obligations to the extent no demand or claim has been made with respect thereto and no claim giving rise thereto has been asserted.

"United States" means the United States of America.

"US Foreign Holdco" means any Subsidiary of Parent organized under the laws of a State of the United States or the District of Columbia substantially all of whose assets consist of stock or other equity (or instruments treated as equity for U.S. federal income tax purposes) of one or more CFCs and other assets of *de minimis* value (including, without limitation, any Canadian Subsidiary).

"US Person" means any Person that is a "United States Person" as defined in Section 7701(a)(30) of the IRC.

"Variance Report" has the meaning specified therefor in Section 5.2(a) of the Agreement.

"Voidable Transfer" has the meaning specified therefor in Section 17.8 of the Agreement.

"Weekly Cash Flow Forecast" has the meaning specified therefor in Section 5.2(a) of the Agreement.

"Withdrawal Liability" means liability with respect to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

"Write-Down and Conversion Powers" means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule

Schedule 1.1A

Permitted Liens

Name of Debtor	Secured Party	Jurisdiction/Office	File Number/ Date Filed	Type of Lien	Description of Collateral
HOLLANDER SLEEP PRODUCTS, LLC	TOYOTA INDUSTRIES COMMERCIAL FINANCE, INC. NATIONWIDE LIFT TRUCKS INC.	Delaware - Secretary of State	2017 0983046 02/13/2017	UCC-1	Leased equipment
HOLLANDER SLEEP PRODUCTS, LLC	IBM CREDIT LLC	Delaware - Secretary of State	2017 7995188 12/04/2017	UCC-1	Leased equipment
HOLLANDER SLEEP PRODUCTS, LLC	CANNON FINANCIAL SERVICES, INC.	Delaware - Secretary of State	2018 3435233 05/21/2018	UCC-1	Leased equipment
HOLLANDER SLEEP PRODUCTS, LLC	HYG FINANCIAL SERVICES, INC.	Delaware - Secretary of State	2018 7480524 10/29/2018	UCC-1	Leased equipment
Hollander Sleep Products, LLC	MAC CROSSING, L.L.C.	Texas - Dallas County, Clerk	201800098247 04/16/2018	UCC-1	All of Debtor's property situated in or upon, or used in connection with, the Premises or the Project located at 2615 Gifford Street, Grand Prairie, Texas 75050
PACIFIC COAST FEATHER COMPANY	NMHG FINANCIAL SERVICES, INC.	Washington - Department of Licensing	2012-156-8434-8 06/04/2012	UCC-1	Leased equipment
PACIFIC COAST FEATHER COMPANY	DE LANDEN FINANCIAL SERVICES, INC.	Washington - Department of Licensing	2013-259-9054-4 09/16/2013	UCC-1	Leased equipment

Schedule 4.1(b)

Subscriptions, Options, Warrants, Calls of Parent

There are a total of 11,428,571 options issued with respect to all classes of the outstanding units in Dream II Holdings, LLC that include time and exit options as well as two classes of performance options.

Schedule 4.1(c)

Capitalization of Parent's Subsidiaries

Issuer	Holder	Class of Equity Interest	Number of Authorized Shares	Number of Shares Issued and Outstanding	Percentage Owned by Holder
Hollander Home Fashions Holdings, LLC	Dream II Holdings, LLC	Membership interests	1,358,214 Common Units	N/A	100%
Hollander Sleep Products, LLC	Hollander Home Fashions Holdings, LLC	Membership interests	1,000 units	N/A	100%
Hollander Sleep Products Kentucky, LLC	Hollander Sleep Products, LLC	Membership interests	1,000 units	N/A	100%
Hollander Home Fashions Trading (Shanghai) Co., Ltd.	Hollander Sleep Products, LLC	Membership interests	N/A	N/A	100%
Hollander Sleep Products Canada Limited	Dream II Holdings, LLC	Common shares	1 common share	1	100%
Pacific Coast Feather, LLC	Hollander Sleep Products, LLC	Membership interests	N/A	N/A	100%
Pacific Coast Feather Cushion, LLC	Pacific Coast Feather, LLC	Membership interests	N/A	N/A	100%
PCF (Shanghai) Quality Management Consulting Co., Ltd.	Pacific Coast Feather, LLC	Equity interest	N/A	N/A	100%

Schedule 4.1(d)

Subscriptions, Options, Warrants, Calls of Parent's Subsidiaries

None.

Schedule 4.6(a)

Litigation

1. The Bankruptcy Cases, the Recognition Proceedings and any litigation resulting therefrom

Schedule 4.10

Benefit Plans

None.

Schedule 4.11

Environmental Matters

None.

Schedule 4.14

Permitted Indebtedness

1. To the extent constituting Indebtedness, Capitalized Lease Obligations secured by the Liens set forth on Schedule P-2

Schedule 4.25

Immaterial Subsidiaries

None.

Schedule 4.26

Intellectual Property

Schedules 2, 4 and 6 to the Guaranty and Security Agreement are herein incorporated by reference.

Schedule 4.27

Insurance

COVERAGE	INSURER	POLICY NUMBER	POLICY TERM
Workers Compensation/Employers Liability	Safety First Insurance Co.	FCL 4059909	1/1/19-1/1/20
Automobile Liability & Physical Damage	Safety National Casualty Corp	CAF 4059905	1/1/19-1/1/20
General Liability	Safety National Casualty Corp	GLF 4059904	1/1/19-1/1/20
Umbrella Liability Excess Umbrella	Continental Insurance Co. The Ohio Casualty Insurance Co.	TBD TBD	1/1/19-1/1/20
Foreign Package	Insurance Co. of the State of PA (AIG)	WS11001075	1/1/19-1/1/20
Property Terrorism	Lexington Insurance Co. (Primary) James River Ins. Co. ($25MM xs $25MM) Landmark American ($50MM xs $50MM) Lloyds of London (Hiscox)	061818976 000812520 LHD903070 UTS2555987.19	2/1/18-2/1/19 2/1/18-2/1/19 2/1/18-2/1/19 1/1/19-2/1/20
Stock Throughput/Cargo	Lloyds of London	B0509MARCW1900022	1/1/19-1/1/20
Commercial Crime	Travelers	106205672	1/1/19-1/1/20
Cyber (Privacy & Network Liability)	ACE American Insurance Co.	G25666707004	1/1/19-1/1/20
Special Crime (K&R)	National Union Fire Ins Co (AIG)	82867529	1/1/18-11/1/19
Employment Practices Liability	Travelers Casualty and Surety Company of America	106876796	1/1/19-1/1/20

Schedule 6.10

Affiliate Transactions

1. Last Out DIP Obligations

DEBTOR-IN-POSSESSION TERM LOAN GUARANTY AND SECURITY AGREEMENT

This **DEBTOR-IN-POSSESSION TERM LOAN GUARANTY AND SECURITY AGREEMENT** (this "Agreement"), dated as of May [_], 2019, among the Persons listed on the signature pages hereof as "Grantors" and those additional entities that hereafter become parties hereto by executing the form of Joinder attached hereto as Annex 1 (each, a "Grantor" and collectively, the "Grantors"), and **BARINGS FINANCE LLC**, in its capacity as administrative agent for the Lender Group (in such capacity, together with its successors and permitted assigns in such capacity, "Agent").

W I T N E S S E T H:

WHEREAS, on the Petition Date, the Borrower and the Guarantors commenced the Chapter 11 Cases by filing with the Bankruptcy Court voluntary petitions for relief under chapter 11 the Bankruptcy Code;

WHEREAS, each of the Loan Parties is continuing in the possession of its assets and in the management of its business as a debtor-in-possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code;

WHEREAS, the Borrower has requested the Lenders to extend credit to the Borrower in the form of the DIP Facility subject to that certain Debtor-In-Possession Term Loan Credit Agreement of even date herewith (as amended, restated, extended, refinanced, supplemented, or otherwise modified from time to time, the "DIP Term Loan Credit Agreement") by and among the lenders identified on the signature pages thereto (each of such lenders, together with its successors and permitted assigns, is referred to hereinafter as a "Lender", as that term is thereafter further defined), Agent, Parent, Holdings and Borrower and, when entered, the Interim DIP Order, and the Final DIP Order, as applicable, which will be used in accordance with the Approved Budget;

WHEREAS, the Borrower has requested the ABL DIP Lenders to extend credit to the Borrower in the form of an ABL DIP Facility pursuant to the terms of that certain ABL DIP Facility Agreement;

WHEREAS, in connection with the execution and delivery of the DIP Term Loan Credit Agreement, the Grantors have agreed to enter into this Agreement;

WHEREAS, Agent has agreed to act as agent for the benefit of the Lender Group in connection with the transactions contemplated by the DIP Term Loan Credit Agreement and this Agreement;

WHEREAS, in order to induce the Lender Group to enter into the DIP Term Loan Credit Agreement and the other DIP Loan Documents, and to induce the Lender Group to make financial accommodations to Borrower as provided for in the DIP Term Loan Credit Agreement and the other DIP Loan Documents, (a) each Grantor has agreed to grant to Agent, for the benefit of the Lender Group, in each case subject to the Carve-Out, with DIP Liens on the DIP Collateral in order to secure the prompt and complete payment, observance and performance of, among

other things, the DIP Secured Obligations and (b) each Grantor has agreed to guaranty the DIP Guarantied Obligations; and

WHEREAS, each Grantor is an Affiliate or a Subsidiary of Borrower and, as such, will benefit by virtue of the financial accommodations extended to Borrower by the Lender Group.

WHEREAS, the Intercreditor Agreement governs the relative rights and priorities of the Lender Group and the "Lender Group" under the Senior ABL Agreement in respect of the Term Loan Priority Collateral as defined in the Intercreditor Agreement and the ABL Priority Collateral as defined in the Intercreditor Agreement (and with respect to certain other matters as described therein).

NOW, THEREFORE, for and in consideration of the recitals made above and other good and valuable consideration, the receipt, sufficiency and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions; Construction.

(a) All initially capitalized terms used herein (including in the preamble and recitals hereof) without definition shall have the meanings ascribed thereto in the DIP Term Loan Credit Agreement (including Schedule 1.1 thereto). Any terms (whether capitalized or lower case) used in this Agreement that are defined in the Code shall be construed and defined as set forth in the Code unless otherwise defined herein or in the DIP Term Loan Credit Agreement; provided that to the extent that the Code is used to define any term used herein and if such term is defined differently in different Articles of the Code, the definition of such term contained in Article 9 of the Code shall govern. In addition to those terms defined elsewhere in this Agreement, as used in this Agreement, the following terms shall have the following meanings:

(i) "Account" means an account (as that term is defined in Article 9 of the Code).

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

(iii) "Activation Instruction" has the meaning specified therefor in Section 7(k).

(iv) "Agent" has the meaning specified therefor in the preamble to this Agreement.

(v) "Agreement" has the meaning specified therefor in the preamble to this Agreement.

(vi) "Applicable Trigger" has the meaning specified therefor in Section 7(k)(ii).

(vii) "Books" means books and records (including each Grantor's Records indicating, summarizing, or evidencing such Grantor's assets (including the DIP

Collateral) or liabilities, each Grantor's Records relating to such Grantor's business operations or financial condition, and each Grantor's goods or General Intangibles related to such information).

(viii) "Borrower" has the meaning specified therefor in the recitals to this Agreement.

(ix) [Reserved].

(x) "Chattel Paper" means chattel paper (as that term is defined in the Code), and includes tangible chattel paper and electronic chattel paper.

(xi) "Code" means the New York Uniform Commercial Code, as in effect from time to time; provided, however, that in the event that, by reason of mandatory provisions of law, any or all of the perfection, priority, or remedies with respect to Agent's DIP Lien on any DIP Collateral is governed by the Uniform Commercial Code as enacted and in effect in a jurisdiction other than the State of New York, the term "Code" shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such perfection, priority, or remedies.

(xii) "Commercial Tort Claims" means commercial tort claims (as that term is defined in the Code), and includes those commercial tort claims listed on Schedule 1.

(xiii) "Commodity Exchange Act" means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

(xiv) "Controlled Account" has the meaning specified therefor in Section 7(k).

(xv) [Reserved].

(xvi) "Controlled Account Bank" has the meaning specified therefor in Section 7(k).

(xvii) "Copyrights" means any and all rights in any works of authorship, including (whether statutory or common law, whether established or registered in the United States or any other country or any political subdivision thereof, whether registered or unregistered and whether published or unpublished), including (A) copyrights and moral rights, (B) copyright registrations and recordings thereof and all applications in connection therewith including those listed on Schedule 2 and (C) renewals and extensions thereof.

(xviii) "Copyright Security Agreement" means each Copyright Security Agreement executed and delivered by Grantors, or any of them, and Agent, in substantially the form of Exhibit A.

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

(xx) "DIP Collateral" has the meaning specified therefor in Section 3.

(xxi) "DIP Guarantied Obligations" means all of the DIP Facility Obligations now or hereafter existing, whether for principal, interest (including any interest that accrues after the commencement of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any such Insolvency Proceeding), fees (including the fees provided for in the Fee Letters), Lender Group Expenses (including any fees or expenses that accrue after the commencement of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any such Insolvency Proceeding), or otherwise. Without limiting the generality of the foregoing, DIP Guarantied Obligations shall include all amounts that constitute part of the DIP Guarantied Obligations and would be owed by Borrower to Agent or any other member of the Lender Group but for the fact that they are unenforceable or not allowable, including due to the existence of a bankruptcy, reorganization, other Insolvency Proceeding or similar proceeding involving Borrower or any guarantor,

(xxii) "DIP Secured Obligations" means each and all of the following: (A) all of the present and future obligations of each of the Grantors arising from, or owing under or pursuant to, this Agreement (including the Guaranty), the DIP Term Loan Credit Agreement, or any of the other DIP Loan Documents and (B) all other DIP Facility Obligations of Borrower and all other DIP Guarantied Obligations of each Guarantor (including, in the case of each of clauses (A) and (B), Lender Group Expenses and any interest, fees, or expenses that accrue after the filing of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any Insolvency Proceeding).

(xxiii) "DIP Supporting Obligations" means supporting obligations (as such term is defined in the Code), and includes letters of credit and guaranties issued in support of Accounts, Chattel Paper, documents, General Intangibles, instruments or Investment Property.

(xxiv) "DIP Term Loan Credit Agreement" has the meaning specified therefor in the recitals to this Agreement.

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

(xxvi) "Excluded DIP Collateral" has the meaning specified therefor in Section 3.

(xxvii) "Excluded Deposit Accounts and Securities Accounts" means (a) Deposit Accounts established solely (I) for the purposes of funding payroll, payroll taxes, escrow trust and employee wage and benefits payments (which aggregate balance in such accounts shall not exceed the total amount estimated by the Borrower in good faith to be payable in the following 30 days from such account or such greater amount as required by law), (II) as tax accounts, including, without limitation, sales tax accounts, (III) as escrow, defeasance and redemption accounts in respect of transactions permitted under the DIP Term Loan Credit Agreement or (IV) as fiduciary or trust accounts, (b) Deposit Account and Securities Accounts with aggregate balances for all such excluded accounts not to exceed $250,000 in the aggregate, and (c) those certain Deposit Accounts with account numbers 245101145 and 245101145 to the extent that the amounts deposited therein (i) secure the DIP Collateral (as each is defined in the applicable Cash Collateral Agreement dated as of June 9, 2017, by and between Pacific Coast Feather Company and Bank of America, N.A.) and (ii) do not exceed $3,208,989 and $200,000, respectively.

(xxviii) "Farm Products" means farm products (as that term is defined in the Code).

(xxix) "Fixtures" means fixtures (as that term is defined in the Code).

(xxx) "Foreclosed Grantor" has the meaning specified therefor in Section 2(i)(iii).

(xxxi) "General Intangibles" means general intangibles (as that term is defined in the Code), and includes payment intangibles, contract rights, rights to payment, rights under Hedge Agreements (including the right to receive payment on account of the termination (voluntarily or involuntarily) of such Hedge Agreements), rights arising under common law, statutes, or regulations, choses or things in action, goodwill, Intellectual Property (together with any income, fees, royalties, damages and payments now and hereafter due and/or payable thereunder and with respect thereto, including damages, claims and payments for past, present or future infringements thereof, and rights to sue for past, present and future infringements thereof), Intellectual Property Licenses, purchase orders, customer lists, monies due or recoverable from pension funds, route lists, rights to payment and other rights under any royalty or licensing agreements, including Intellectual Property Licenses, infringement claims, pension plan refunds, pension plan refund claims, insurance premium rebates, tax refunds, and tax refund claims, interests in a partnership or limited liability company which do not constitute a security under Article 8 of the Code, and any other personal property other than Commercial Tort Claims, money, Accounts, Chattel Paper, Deposit Accounts, goods, Investment Property, Negotiable DIP Collateral, and oil, gas, or other minerals before extraction.

(xxxii) "Grantor" and "Grantors" have the respective meanings specified therefor in the preamble to this Agreement.

(xxxiii)"Guarantor" means each Grantor other than Borrower.

(xxxiv)"Guaranty" means the guaranty set forth in Section 2 hereof.

(xxxv) "Intellectual Property" means any and all Patents, Copyrights, Trademarks, trade secrets, know-how, inventions (whether or not patentable), algorithms, software programs (including source code and object code), processes, product designs, industrial designs, data, URLs and Internet domain names, and any other forms of technology or proprietary information of any kind, including all rights therein and all applications for registration or registrations thereof.

(xxxvi)"Intellectual Property Licenses" means, with respect to any Person (the "Specified Party"), (A) any licenses or other similar rights, including covenants not to sue, provided to the Specified Party in or with respect to Intellectual Property owned, made or controlled by any other Person, and (B) any licenses or other similar rights, including covenants not to sue, provided to any other Person in or with respect to Intellectual Property owned, made or controlled by the Specified Party, in each case, including (x) any software license agreements (other than license agreements for commercially available off-the-shelf software that is generally available to the public), (y) the license agreements listed on Schedule 3, and (z) the right to use any

of the licenses or other similar rights described in this definition, as permitted by the applicable license, in connection with the enforcement of the Lender Group's rights under the DIP Loan Documents.

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

(xxxviii) "Investment Property" means (A) any and all investment property (as that term is defined in the Code), and (B) any and all of the following (regardless of whether classified as investment property under the Code): all Pledged Interests, Pledged Intercompany Notes, Pledged Operating Agreements, and Pledged Partnership Agreements.

(xxxix)"Joinder" means each Joinder to this Agreement executed and delivered by Agent and each of the other parties listed on the signature pages thereto, in substantially the form of Annex 1.

(xl) "Lender" and "Lenders" have the respective meanings specified therefor in the recitals to this Agreement.

(xli) "Negotiable DIP Collateral" means letters of credit, letter-of-credit rights, instruments, promissory notes, drafts and documents (as each such term is defined in the Code).

(xlii) "Parent" has the meaning specified therefor in the recitals to this Agreement.

(xliii) "Patents" means patents and patent applications (whether established or registered or filed in the United States or any other country or any political subdivision thereof), including (A) the patents and patent applications listed on Schedule 4, (B) all inventions and improvements described in or claimed therein and (C) all continuations, divisionals, continuations-in-part, re-examinations, and reissues thereof and improvements thereon.

(xliv) "Patent Security Agreement" means each Patent Security Agreement executed and delivered by Grantors, or any of them, and Agent, in substantially the form of Exhibit B.

(xlv) "Pledged Companies" means each Person listed on Schedule 5 as a "Pledged Company", together with each other Person, all or a portion of whose Equity Interests (other than Equity Interests constituting Excluded DIP Collateral) are acquired or otherwise owned by a Grantor after the date of this Agreement.

(xlvi) "Pledged Intercompany Notes" means all of each Grantor's rights, title and interest to all the intercompany loans and notes now owned or hereafter acquired by such Grantor.

(xlvii) "Pledged Interests" means all of each Grantor's right, title and interest in and to all of the Equity Interests now owned or hereafter acquired by such Grantor (other than Equity Interests constituting Excluded DIP Collateral), regardless of class or designation, including in each of the Pledged Companies owned by it, and all substitutions therefor

and replacements thereof, all proceeds thereof and all rights relating thereto, also including any certificates representing the Equity Interests, the right to receive any certificates representing any of the Equity Interests, all warrants, options, share appreciation rights and other rights, contractual or otherwise, in respect thereof and the right to receive all dividends, distributions of income, profits, surplus, or other compensation by way of income or liquidating distributions, in cash or in kind, and all cash, instruments, and other property from time to time received, receivable, or otherwise distributed in respect of or in addition to, in substitution of, on account of, or in exchange for any or all of the foregoing.

(xlviii) "Pledged Interests Addendum" means a Pledged Interests Addendum substantially in the form of Exhibit C.

(xlix) "Pledged Notes" has the meaning specified therefor in Section 6(l).

(l) "Pledged Operating Agreements" means all of each Grantor's rights, powers, and remedies under the limited liability company operating agreements of each of the Pledged Companies that are limited liability companies, if any.

(li) "Pledged Partnership Agreements" means all of each Grantor's rights, powers, and remedies under the partnership agreements of each of the Pledged Companies that are partnerships, if any.

(lii) "Proceeds" has the meaning specified therefor in Section 3.

(liii) "PTO" means the United States Patent and Trademark Office.

(liv) "Real Property" means any estates or interests in real property now owned or hereafter acquired by any Grantor or any Subsidiary of any Grantor and the improvements thereto.

(lv) "Record" means information that is inscribed on a tangible medium or which is stored in an electronic or other medium and is retrievable in perceivable form.

(lvi) "Rescission" has the meaning specified therefor in Section 7(k).

(lvii) "Securities Account" means a securities account (as that term is defined in the Code).

(lviii) "Security Interest" has the meaning specified therefor in Section 3.

(lix) "Trademarks" means any and all trademarks, trade names, trade dress, registered trademarks, trademark applications, service marks, registered service marks and service mark applications (whether statutory or common law and whether established or registered in the Unites States or any other country or any political subdivision thereof), including (A) the trade names, registered trademarks, trademark applications, registered service marks and service mark applications listed on Schedule 6, (B) goodwill of the business symbolized thereby or connected with the use thereof and (C) all renewals thereof.

(lx) "Trademark Security Agreement" means each Trademark Security Agreement executed and delivered by Grantors, or any of them, and Agent, in substantially the form of Exhibit D.

(lxi) "URL" means "uniform resource locator," an internet web address.

(b) Unless the context of this Agreement clearly requires otherwise, references to the plural include the singular, references to the singular include the plural, the terms "includes" and "including" are not limiting, and the term "or" has, except where otherwise indicated, the inclusive meaning represented by the phrase "and/or." The words "hereof," "herein," "hereby," "hereunder," and similar terms in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. Section, subsection, clause, schedule, and exhibit references herein are to this Agreement unless otherwise specified. Any reference in this Agreement to any agreement, instrument, or document shall include all alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements, thereto and thereof, as applicable (subject to any restrictions on such alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements set forth herein or in the DIP Term Loan Credit Agreement). 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.

(c) Any reference herein to the satisfaction, repayment, or payment in full of the DIP Secured Obligations shall mean (i) the payment or repayment in full in immediately available funds in Dollars of (A) the principal amount of, and interest accrued with respect to, all outstanding DIP Loans, together with the payment of any premium applicable to the repayment of the DIP Loans, (B) all Lender Group Expenses that have accrued regardless of whether demand has been made therefor, (C) all fees or charges that have accrued hereunder or under any other DIP Loan Document, (ii) the receipt by Agent of cash collateral in order to secure any other contingent DIP Secured Obligations for which a claim or demand for payment has been made at such time or in respect of matters or circumstances known to Agent or a Lender at the time that are reasonably expected to result in any loss, cost, damage or expense (including reasonable out-of-pocket attorneys' fees and legal expenses), such cash collateral to be in such amount as Agent reasonably determines is appropriate to secure such contingent DIP Secured Obligations, (iii) the payment or repayment in full in immediately available funds of all other DIP Secured Obligations (as the case may be) other than, in each case of clauses (i) to (iii), Unasserted Contingent Indemnification Obligations, and (iv) the termination of all of the DIP Loan Commitments of the Lenders.

(d) Any reference herein to the satisfaction, repayment, or payment in full of the DIP Guarantied Obligations shall mean, in each case, solely with respect to DIP Facility Obligations (i) the payment or repayment in full in immediately available funds of (A) the principal amount of, and interest accrued with respect to, all outstanding DIP Loans, together with the payment of any premium applicable to the repayment of the DIP Loans, (B) all Lender Group Expenses that have accrued regardless of whether demand has been made therefor, (C) all fees or charges that have accrued hereunder or under any other DIP Loan Document (ii) the receipt by Agent of cash collateral in order to secure any other contingent DIP Guarantied Obligations for which a claim or demand for payment has been made at such time or in respect

of matters or circumstances known to Agent or a Lender at the time that are reasonably expected to result in any loss, cost, damage or expense (including attorneys' fees and legal expenses), such cash collateral to be in such amount as Agent reasonably determines is appropriate to secure such contingent DIP Guarantied Obligations, (iii) the payment or repayment in full in immediately available funds of all other DIP Guarantied Obligations other than, in each case of clauses (i) to (iii), Unasserted Contingent Indemnification Obligations, and (iv) the termination of all of the DIP Loan Commitments of the Lenders.

(e) All of the schedules and exhibits attached to this Agreement shall be deemed incorporated herein by reference.

2. Guaranty.

(a) In recognition of the direct and indirect benefits to be received by Guarantors from the proceeds of the DIP Loans and by virtue of the financial accommodations to be made to Borrower, each of the Guarantors, jointly and severally, hereby unconditionally and irrevocably guarantees as a primary obligor and not merely as a surety the full and prompt payment when due, whether upon maturity, acceleration, or otherwise, of all of the DIP Guarantied Obligations. If any or all of the DIP Facility Obligations becomes due and payable, each of the Guarantors, unconditionally and irrevocably, and without the need for demand, protest, or any other notice or formality, promises to pay such DIP Facility Obligations to Agent, for the benefit of the Lender Group, together with any and all Lender Group Expenses that may be incurred by Agent or any other member of the Lender Group in demanding, enforcing, or collecting any of the DIP Guarantied Obligations (including the enforcement of any collateral for such DIP Facility Obligations or any collateral for the obligations of the Guarantors under this Guaranty). If claim is ever made upon Agent or any other member of the Lender Group for repayment or recovery of any amount or amounts received in payment of or on account of any or all of the DIP Facility Obligations and any of Agent or any other member of the Lender Group repays all or part of said amount by reason of (i) any judgment, decree, or order of any court or administrative body having jurisdiction over such payee or any of its property, or (ii) any settlement or compromise of any such claim effected by such payee with any such claimant (including any Borrower or any Guarantor), then and in each such event, each of the Guarantors agrees that any such judgment, decree, order, settlement, or compromise shall be binding upon the Guarantors, notwithstanding any revocation (or purported revocation) of this Guaranty or other instrument evidencing any liability of any Grantor, and the Guarantors shall be and remain liable to the aforesaid payees hereunder for the amount so repaid or recovered to the same extent as if such amount had never originally been received by any such payee.

(b) Additionally, each of the Guarantors unconditionally and irrevocably guarantees the payment of any and all of the DIP Facility Obligations to Agent, for the benefit of the Lender Group, whether or not due or payable by any Loan Party upon the occurrence of any of the events specified in Section 8.4 or 8.5 of the DIP Term Loan Credit Agreement, and irrevocably and unconditionally promises to pay such indebtedness to Agent, for the benefit of the Lender Group, without the requirement of demand, protest, or any other notice or other formality, in lawful money of the United States.

(c) The liability of each of the Guarantors hereunder is primary, absolute, and unconditional, and is independent of any security for or other guaranty of the DIP Facility Obligations, whether executed by any other Guarantor or by any other Person, and the liability of each of the Guarantors hereunder shall not be affected or impaired by (i) any payment on, or in reduction of, any such other guaranty or undertaking (other than payment in full of the DIP Guarantied Obligations), (ii) any dissolution, termination, or increase, decrease, or change in personnel by any Grantor, (iii) any payment made to Agent or any other member of the Lender Group which Agent or such other member of the Lender Group repays to any Grantor pursuant to court order in any bankruptcy, reorganization, arrangement, moratorium or other debtor relief proceeding (or any settlement or compromise of any claim made in such a proceeding relating to such payment), and each of the Guarantors waives any right to the deferral or modification of its obligations hereunder by reason of any such proceeding, or (iv) any action or inaction by Agent or any other member of the Lender Group, or (v) any invalidity, irregularity, avoidability, or unenforceability of all or any part of the DIP Facility Obligations or of any security therefor.

(d) This Guaranty includes all present and future DIP Guarantied Obligations including any under transactions continuing, compromising, extending, increasing, modifying, releasing, or renewing the DIP Guarantied Obligations, changing the interest rate, payment terms, or other terms and conditions thereof, or creating new or additional DIP Guarantied Obligations after prior DIP Guarantied Obligations have been satisfied in whole or in part. To the maximum extent permitted by law, each Guarantor hereby waives any right to revoke this Guaranty as to future DIP Guarantied Obligations. If such a revocation is effective notwithstanding the foregoing waiver, each Guarantor acknowledges and agrees that (i) no such revocation shall be effective until written notice thereof has been received by Agent, (ii) no such revocation shall apply to any DIP Guarantied Obligations in existence on the date of receipt by Agent of such written notice (including any subsequent continuation, extension, or renewal thereof, or change in the interest rate, payment terms, or other terms and conditions thereof), (iii) no such revocation shall apply to any DIP Guarantied Obligations made or created after such date to the extent made or created pursuant to a legally binding commitment of any member of the Lender Group in existence on the date of such revocation, (iv) no payment by any Guarantor, any Borrower, or from any other source, prior to the date of Agent's receipt of written notice of such revocation shall reduce the maximum obligation of such Guarantor hereunder, and (v) any payment by any Borrower or from any source other than such Guarantor subsequent to the date of such revocation shall first be applied to that portion of the DIP Guarantied Obligations as to which the revocation is effective and which are not, therefore, guarantied hereunder, and to the extent so applied shall not reduce the maximum obligation of such Guarantor hereunder. This Guaranty shall be binding upon each Guarantor, its successors and assigns and inure to the benefit of and be enforceable by Agent (for the benefit of the Lender Group) and its successors, transferees, or permitted assigns.

(e) The guaranty by each of the Guarantors hereunder is a guaranty of payment and not of collection. The obligations of each of the Guarantors hereunder are independent of the obligations of any other Guarantor or Grantor or any other Person and a separate action or actions may be brought and prosecuted against one or more of the Guarantors whether or not action is brought against any other Guarantor or Grantor or any other Person and whether or not any other Guarantor or Grantor or any other Person be joined in any such action or actions. Each of the Guarantors waives, to the fullest extent permitted by law, the benefit of

any statute of limitations affecting its liability hereunder or the enforcement hereof. Any payment by any Grantor or other circumstance which operates to toll any statute of limitations as to any Grantor shall operate to toll the statute of limitations as to each of the Guarantors.

(f) Each of the Guarantors authorizes Agent and the other members of the Lender Group without notice or demand (except for such notices expressly agreed to be provided by Agent under the DIP Loan Documents), and without affecting or impairing its liability hereunder, from time to time to:

(i) change the manner, place, or terms of payment of, or change or extend the time of payment of, renew, increase, accelerate, or alter: (A) any of the DIP Facility Obligations (including any increase or decrease in the principal amount thereof or the rate of interest or fees thereon); or (B) any security therefor or any liability incurred directly or indirectly in respect thereof, and this Guaranty shall apply to the DIP Facility Obligations as so changed, extended, renewed, or altered;

(ii) take and hold security for the payment of the DIP Facility Obligations and sell, exchange, release, impair, surrender, realize upon, collect, settle, or otherwise deal with in any manner and in any order any property at any time pledged or mortgaged to secure the DIP Facility Obligations or any of the DIP Guarantied Obligations (including any of the obligations of all or any of the Guarantors under this Guaranty) incurred directly or indirectly in respect thereof or hereof, or any offset on account thereof;

(iii) exercise or refrain from exercising any rights against any Grantor;

(iv) release or substitute any one or more endorsers, guarantors, any Grantor, or other obligors;

(v) settle or compromise any of the DIP Facility Obligations, any security therefor, or any liability (including any of those of any of the Guarantors under this Guaranty) incurred directly or indirectly in respect thereof or hereof, and may subordinate the payment of all or any part thereof to the payment of any liability (whether due or not) of any Grantor to its creditors;

(vi) apply any sums by whomever paid or however realized to any liability or liabilities of any Grantor to Agent or any other member of the Lender Group regardless of what liability or liabilities of such Grantor remain unpaid;

(vii) consent to or waive any breach of, or any act, omission, or default under, this Agreement, any other DIP Loan Document or any of the instruments or agreements referred to herein or therein, or otherwise amend, modify, or supplement this Agreement, any other DIP Loan Document or any of such other instruments or agreements; or

(viii) take any other action that could, under otherwise applicable principles of law, give rise to a legal or equitable discharge of one or more of the Guarantors from all or part of its liabilities under this Guaranty.

(g) It is not necessary for Agent or any other member of the Lender Group to inquire into the capacity or powers of any of the Guarantors or the officers, directors, partners or agents acting or purporting to act on their behalf, and any DIP Facility Obligations made or created in reliance upon the professed exercise of such powers shall be guaranteed hereunder.

(h) Each Guarantor jointly and severally guarantees that the DIP Guarantied Obligations will be paid strictly in accordance with the terms of the DIP Loan Documents, regardless of any law, regulation, or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of any member of the Lender Group with respect thereto. The obligations of each Guarantor under this Guaranty are independent of the DIP Guarantied Obligations, and a separate action or actions may be brought and prosecuted against each Guarantor to enforce such obligations, irrespective of whether any action is brought against any other Guarantor or whether any other Guarantor is joined in any such action or actions. The liability of each Guarantor under this Guaranty shall be absolute and unconditional irrespective of, and each Guarantor hereby irrevocably waives, to the fullest extent permitted by applicable law, any defense (other than a defense of payment in full of the DIP Guarantied Obligations) it may now or hereafter have in any way relating to, any or all of the following:

(i) any lack of validity or enforceability of any DIP Loan Document or any agreement or instrument relating thereto;

(ii) any change in the time, manner, or place of payment of, or in any other term of, all or any of the DIP Guarantied Obligations, or any other amendment or waiver, supplement, restatement, extension, novation, renewal, replacement or continuation of or any consent to departure from any DIP Loan Document, including any increase in the DIP Guarantied Obligations resulting from the extension of additional credit;

(iii) any taking, exchange, release, or non-perfection of any DIP Lien in and to any DIP Collateral, or any taking, release, amendment, waiver of, or consent to departure from any other guaranty, for all or any of the DIP Guarantied Obligations;

(iv) the existence of any claim, set-off, defense (other than payment in full of the DIP Guarantied Obligations), or other right that any Guarantor may have at any time against any Person, including Agent or any other member of the Lender Group;

(v) any defense, set-off, counterclaim, or claim, of any kind or nature, arising directly or indirectly from the present or future lack of perfection, sufficiency, validity, or enforceability of the DIP Guarantied Obligations or any security therefor;

(vi) any right or defense arising by reason of any claim or defense based upon an election of remedies by any member of the Lender Group including any defense based upon an impairment or elimination of such Guarantor's rights of subrogation, reimbursement, contribution, or indemnity of such Guarantor against any other Grantor or any guarantors or sureties;

(vii) any change, restructuring, or termination of the corporate, limited liability company, or partnership structure or existence of any Grantor; or

(viii) any other circumstance that might otherwise constitute a defense available to, or a discharge of, any Grantor or any other Guarantor or surety (other than a defense of payment in full of the DIP Guarantied Obligations).

(i) Waivers:

(i) Each of the Guarantors waives (to the fullest extent permitted by applicable law) any right (except as shall be required by applicable statute or law and cannot be waived) to require Agent or any other member of the Lender Group to (i) proceed against any other Grantor or any other Person, (ii) proceed against or exhaust any security held from any other Grantor or any other Person, or (iii) protect, secure, perfect, or insure any security interest or DIP Lien on any property subject thereto or exhaust any right to take any action against any other Grantor, any other Person, or any collateral, or (iv) pursue any other remedy in any member of the Lender Group's power whatsoever. Each of the Guarantors waives, to the fullest extent permitted by applicable law, any defense based on or arising out of any defense of any Grantor or any other Person, other than payment of the DIP Facility Obligations to the extent of such payment, based on or arising out of the disability of any Grantor or any other Person, or the validity, legality, or unenforceability of the DIP Facility Obligations or any part thereof from any cause, or the cessation from any cause of the liability of any Grantor other than payment of the DIP Facility Obligations to the extent of such payment. Agent may, at the election of the Required Lenders, foreclose upon any DIP Collateral held by Agent by one or more judicial or nonjudicial sales or other dispositions, whether or not every aspect of any such sale is commercially reasonable or otherwise fails to comply with applicable law or may exercise any other right or remedy Agent or any other member of the Lender Group may have against any Grantor or any other Person, or any security, in each case, without affecting or impairing in any way the liability of any of the Guarantors hereunder except to the extent the DIP Facility Obligations have been paid.

(ii) Each of the Guarantors waives all presentments, demands for performance, protests and notices, including notices of nonperformance, notices of protest, notices of dishonor, notices of acceptance of this Guaranty, and notices of the existence, creation, or incurring of new or additional DIP Facility Obligations or other financial accommodations. Each of the Guarantors waives notice of any Default or Event of Default under any of the DIP Loan Documents. Each of the Guarantors assumes all responsibility for being and keeping itself informed of each Grantor's financial condition and assets and of all other circumstances bearing upon the risk of nonpayment of the DIP Facility Obligations and the nature, scope, and extent of the risks which each of the Guarantors assumes and incurs hereunder, and agrees that neither Agent nor any of the other members of the Lender Group shall have any duty to advise any of the Guarantors of information known to them regarding such circumstances or risks.

(iii) To the fullest extent permitted by applicable law, each Guarantor hereby waives: (A) any right to assert against any member of the Lender Group, any defense (legal or equitable) (other than the defense that all of the DIP Guarantied Obligations have been paid in full), set-off, counterclaim, or claim which each Guarantor may now or at any time hereafter have against any Borrower or any other party liable to any member of the Lender Group; (B) any defense, set-off, counterclaim, or claim, of any kind or nature, arising directly or indirectly from the present or future lack of perfection, sufficiency, validity, or enforceability of the DIP Guarantied Obligations or any security therefor; (C) any right or defense arising by reason of any

claim or defense based upon an election of remedies by any member of the Lender Group including any defense based upon an impairment or elimination of such Guarantor's rights of subrogation, reimbursement, contribution, or indemnity of such Guarantor against any Borrower or other guarantors or sureties; and (D) the benefit of any statute of limitations affecting such Guarantor's liability hereunder or the enforcement thereof, and any act which shall defer or delay the operation of any statute of limitations applicable to the DIP Guarantied Obligations shall similarly operate to defer or delay the operation of such statute of limitations applicable to such Guarantor's liability hereunder.

(iv) No Guarantor will exercise any rights that it may now or hereafter acquire against any Grantor or any other guarantor that arise from the existence, payment, performance or enforcement of such Guarantor's obligations under this Guaranty, including any right of subrogation, reimbursement, exoneration, contribution or indemnification and any right to participate in any claim or remedy of Agent or any other member of the Lender Group against any Grantor or any other guarantor or any DIP Collateral, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, including the right to take or receive from any Grantor or any other guarantor, directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security solely on account of such claim, remedy or right, unless and until all of the DIP Guarantied Obligations and all other amounts payable under this Guaranty shall have been paid in full and all of the DIP Loan Commitments have been terminated. If any amount shall be paid to any Guarantor in violation of the immediately preceding sentence, such amount shall be held in trust for the benefit of Agent, for the benefit of the Lender Group, and shall forthwith be paid to Agent to be credited and applied to the DIP Guarantied Obligations and all other amounts payable under this Guaranty, whether matured or unmatured, in accordance with the terms of the DIP Term Loan Credit Agreement, or to be held as DIP Collateral for any DIP Guarantied Obligations or other amounts payable under this Guaranty thereafter arising. Notwithstanding anything to the contrary contained in this Guaranty, no Guarantor may exercise any rights of subrogation, contribution, indemnity, reimbursement or other similar rights against, and may not proceed or seek recourse against or with respect to any property or asset of, any other Grantor (the "Foreclosed Grantor"), including after payment in full of the DIP Guarantied Obligations, if all or any portion of the DIP Facility Obligations have been satisfied in connection with an exercise of remedies in respect of the Equity Interests of such Foreclosed Grantor whether pursuant to this Agreement or otherwise.

(v) Each of the Guarantors represents, warrants, and agrees that each of the waivers set forth above is made with full knowledge of its significance and consequences and that if any of such waivers are determined to be contrary to any applicable law or public policy, such waivers shall be effective to the maximum extent permitted by law.

(j) Upon payment in full of the DIP Guarantied Obligations, the Guaranty made hereby shall automatically terminate.

3. Grant of Security. Each Grantor hereby grants and pledges to Agent for the benefit of each member of the Lender Group, to secure the DIP Secured Obligations, a continuing security interest (hereinafter referred to as the "Security Interest") in all of such Grantor's right, title, and interest in and to the following, whether now owned or hereafter acquired or arising and wherever located (the "DIP Collateral"):

(a) all of such Grantor's Accounts;

(b) all of such Grantor's Books;

(c) all of such Grantor's Chattel Paper;

(d) all of such Grantor's Commercial Tort Claims;

(e) all of such Grantor's Deposit Accounts;

(f) all of such Grantor's Equipment;

(g) all of such Grantor's Farm Products;

(h) all of such Grantor's Fixtures;

(i) all of such Grantor's General Intangibles (including Intellectual Property (together with any income, fees, royalties, damages and payments now and hereafter due and/or payable thereunder and with respect thereto, including damages, claims and payments for past, present or future infringements thereof, and rights to sue for past, present and future infringements thereof) and Intellectual Property Licenses);

(j) all of such Grantor's Inventory;

(k) all of such Grantor's Investment Property;

(l) all of such Grantor's Negotiable DIP Collateral;

(m) all of such Grantor's Pledged Interests (including all of such Grantor's Pledged Intercompany Notes, Pledged Operating Agreements and Pledged Partnership Agreements);

(n) all of such Grantor's Securities Accounts;

(o) all of such Grantor's DIP Supporting Obligations;

(p) all of such Grantor's money, Cash Equivalents, or other assets of such Grantor that now or hereafter come into the possession, custody, or control of Agent (or its agent or designee) or any other member of the Lender Group;

(q) all present and future claims, rights, interests, assets and properties recovered by or on behalf of such Grantor or any trustee of any Grantor (whether in the Chapter 11 Cases or any subsequent case to which any Chapter 11 Case is converted), including, without limitation, all such property recovered as a result of transfers or obligations avoided or actions maintained or taken pursuant to, inter alia, Sections 542, 544, 545, 547, 548, 549, 550, 552 and 553 of the Bankruptcy Code, subject to the terms of the DIP Orders; and

(r) all of the proceeds (as such term is defined in the Code) and products, whether tangible or intangible, of any of the foregoing, including proceeds of insurance or

Commercial Tort Claims covering or relating to any or all of the foregoing, and any and all Accounts, Books, Chattel Paper, Deposit Accounts, Equipment, Fixtures, General Intangibles, Inventory, Investment Property, Negotiable DIP Collateral, Pledged Interests, Securities Accounts, DIP Supporting Obligations, money, or other tangible or intangible property resulting from the sale, lease, license, exchange, collection, or other disposition of any of the foregoing, the proceeds of any award in condemnation with respect to any of the foregoing, any rebates or refunds, whether for taxes or otherwise, and all proceeds of any such proceeds, or any portion thereof or interest therein, and the proceeds thereof, and all proceeds of any loss of, damage to, or destruction of the above, whether insured or not insured, and, to the extent not otherwise included, any indemnity, warranty, or guaranty payable by reason of loss or damage to, or otherwise with respect to any of the foregoing (the "Proceeds"). Without limiting the generality of the foregoing, the term "Proceeds" includes whatever is receivable or received when Investment Property or proceeds are sold, exchanged, collected, or otherwise disposed of, whether such disposition is voluntary or involuntary, and includes proceeds of any indemnity or guaranty payable to any Grantor or Agent from time to time with respect to any of the Investment Property.

Notwithstanding anything contained in this Agreement to the contrary, the term "DIP Collateral" and any defined term used therein shall not include, and the Security Interest shall not attach to, the following property (such property, the "Excluded DIP Collateral"): (i) voting Equity Interests of any first-tier CFC or US Foreign Holdco, to the extent that such Equity Interests represent more than 65% of the outstanding voting Equity Interests of such first-tier CFC or US Foreign Holdco or any of the Equity Interest of a CFC or US Foreign Holdco that is owned by another CFC or US Foreign Holdco; (ii) any of the assets of any CFC or any US Foreign Holdco; (iii) any rights or interest in any General Intangible, contract, lease, permit, license, or license agreement covering real or personal property of any Grantor, including Intellectual Property Licenses, if under the terms of such General Intangible, contract, lease, permit, license, or license agreement, or applicable law with respect thereto, the grant of a security interest or lien therein is prohibited as a matter of law or under the terms of such General Intangible, contract, lease, permit, license, or license agreement (or the grant of a security interest or lien therein would invalidate such General Intangible, contract, lease, permit, license, or license agreement or breach, default or create a right of termination in favor of any other party thereto) and such prohibition or restriction has not been waived or the consent of the other party to such General Intangible, contract, lease, permit, license, or license agreement has not been obtained (provided, that, (A) the foregoing exclusions of this paragraph shall in no way be construed (1) to apply to the extent that any described prohibition or restriction is ineffective under Section 9-406, 9-407, 9-408, or 9-409 of the Code or other applicable law, or (2) to apply to the extent that any consent or waiver has been obtained that would permit Agent's Security Interest or lien to attach notwithstanding the prohibition or restriction on the pledge of such General Intangible, contract, lease, permit, license, or license agreement, (B) the foregoing exclusions of this clause (iii) shall in no way be construed to limit, impair, or otherwise affect any of Agent's or any other member of the Lender Group's continuing security interests in and liens upon any rights or interests of any Grantor in or to (1) monies due or to become due under or in connection with any described General Intangible, contract, lease, permit, license, license agreement (including any Accounts or Equity Interests), or (2) any proceeds from the sale, license, lease, or other dispositions of any such General Intangible, contract, lease, permit,

license, license agreement (including any Equity Interests), (C) with respect to assets with a fair market value in excess of $3,750,000 in the aggregate or otherwise material to the business or operations of the Grantors, taken as a whole (such assets, "material assets"), the Grantors shall use commercially reasonable efforts (not involving expending money in excess of de minimis amounts) to obtain any applicable consent or waiver of such prohibition and (D) with respect to any lease, license or other agreement or arrangement entered into after the date of this Agreement, the Grantors shall use commercially reasonable efforts (not involving expending money in excess of de minimis amounts) to not enter into such prohibitions); (iv) any United States intent-to-use trademark applications for which an amendment to allege use or a statement of use has not been filed and accepted by the PTO, to the extent that, and solely during the period in which, the grant, attachment or perfection of a security interest therein would impair the validity or enforceability of such intent-to-use trademark applications under applicable federal law, provided that upon submission and acceptance by the PTO of an amendment to allege use or a statement of use pursuant to 15 U.S.C. Section 1051(c) or (d) (or any successor provision), such intent-to-use trademark application shall be considered DIP Collateral; (v) any Equipment or Fixture of a Grantor that is subject to a perfected DIP Lien that constitutes a Permitted Lien under clause (f) of the definition of "Permitted Lien" if and for so long as the grant of a security interest therein to Agent in such Equipment or Fixture shall constitute or result in a breach or termination pursuant to the terms of, or a default under, the agreement entered into in connection with such Permitted Lien on such Equipment or Fixture, provided however that such security interest shall attach immediately at such time as the term restricting the attachment of a security interest in such Equipment or Fixture is no longer operative or the attachment of a security interest in such Equipment or Fixture would not constitute or result in a breach or termination pursuant to the terms of, or a default under, such agreement; (vi) Equity Interests in Unrestricted Subsidiaries; (vii) those assets as to which the Agent reasonably agrees that the costs of obtaining a security interest therein or perfection thereof are excessive in relation to the benefit to the Lender Group of the security to be afforded thereby; (viii) Excluded Deposit Accounts and Securities Accounts and (ix) interests in partnerships, joint ventures and non-wholly-owned subsidiaries which cannot be pledged without the consent of one or more third parties (provided, that, (A) the foregoing exclusions of this clause (ix) shall in no way be construed (1) to apply to the extent that any described prohibition or restriction is ineffective under Section 9-406, 9-407, 9-408, or 9-409 of the Code or other applicable law, or (2) to apply to the extent that any consent or waiver has been obtained that would permit Agent's Security Interest or lien to attach notwithstanding the prohibition or restriction on the pledge of such interests, (B) the foregoing exclusions of this clause (ix) shall in no way be construed to limit, impair, or otherwise affect any of Agent's, any other member of the Lender Group's continuing security interests in and liens upon any rights or interests of any Grantor in or to (1) monies due or to become due under or in connection with any described interests (including any Accounts or Equity Interests), or (2) any proceeds from the sale, license, lease, or other dispositions of any such interests (including any Equity Interests), (C) with respect to material assets, the Grantors shall use commercially reasonable efforts (not involving expending money in excess of de minimis amounts) to obtain any applicable consent or waiver of such prohibition and (D) with respect to any such interests acquired after the date of this Agreement, the Grantors shall use commercially reasonable efforts (not involving expending money in excess of de minimis amounts) to not enter into such prohibitions).

4. Security for DIP Secured Obligations . The Security Interest created hereby secures the payment and performance of the DIP Secured Obligations , whether now existing or arising hereafter. Without limiting the generality of the foregoing, this Agreement secures the payment of all amounts which constitute part of the DIP Secured Obligations and would be owed by Grantors, or any of them, to Agent, the Lender Group or any of them, but for the fact that they are unenforceable or not allowable (in whole or in part) as a claim in an Insolvency Proceeding involving any Grantor due to the existence of such Insolvency Proceeding.

5. Grantors Remain Liable. Anything herein to the contrary notwithstanding, (a) each of the Grantors shall remain liable under the contracts and agreements included in the DIP Collateral, including the Pledged Operating Agreements, the Pledged Partnership Agreements and the Pledged Intercompany Notes, to perform all of the duties and obligations thereunder to the same extent as if this Agreement had not been executed, (b) the exercise by Agent or any other member of the Lender Group of any of the rights hereunder shall not release any Grantor from any of its duties or obligations under such contracts and agreements included in the DIP Collateral, and (c) none of the members of the Lender Group shall have any obligation or liability under such contracts and agreements included in the DIP Collateral by reason of this Agreement, nor shall any of the members of the Lender Group be obligated to perform any of the obligations or duties of any Grantors thereunder or to take any action to collect or enforce any claim for payment assigned hereunder. Unless an Event of Default has occurred and is continuing and Agent has provided the requisite notice to the Grantors pursuant to this Agreement, except as otherwise provided in this Agreement, the DIP Term Loan Credit Agreement, or any other DIP Loan Document, Grantors shall have the right to possession and enjoyment of the DIP Collateral for the purpose of conducting the ordinary course of their respective businesses, subject to and upon the terms hereof and of the DIP Term Loan Credit Agreement, the other DIP Loan Documents and the DIP Orders. Without limiting the generality of the foregoing, it is the intention of the parties hereto that record and beneficial ownership of the Pledged Interests, including all voting, consensual, dividend, and distribution rights, shall remain in the applicable Grantor until (i) the occurrence and continuance of an Event of Default and (ii) Agent has notified the applicable Grantor in writing of Agent's election to exercise such rights with respect to the Pledged Interests in accordance with Section 16.

6. Representations and Warranties. In order to induce Agent to enter into this Agreement for the benefit of the Lender Group, each Grantor makes the following representations and warranties to the Lender Group which shall be true, correct, and complete, in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof), as of the date of this Agreement, and shall be true, correct, and complete, in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof), as of the date of the making of each DIP Loan (or other extension of credit) made thereafter, as though made on and as of the date of such DIP Loan (or other extension of credit) (except to the extent that such representations and warranties relate solely to an earlier date, in which case such representations and warranties shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) as of such earlier date) and such representations and warranties shall survive the execution and delivery of this Agreement:

(a) The name (within the meaning of Section 9-503 of the Code) and jurisdiction of organization of each Grantor and each of its Subsidiaries is set forth on Schedule 7 (as such Schedule may be updated from time to time to reflect changes resulting from transactions permitted under the DIP Loan Documents).

(b) The chief executive office of each Grantor is located at the address indicated on Schedule 7 (as such Schedule may be updated from time to time to reflect changes resulting from transactions permitted under the DIP Loan Documents).

(c) Each Grantor's tax identification numbers and organizational identification numbers in each case, if any, are identified on Schedule 7 (as such Schedule may be updated from time to time to reflect changes resulting from transactions permitted under the DIP Loan Documents).

(d) As of the date of this Agreement, no Grantor holds any commercial tort claims that has a likelihood of recovery in excess of $315,000 in amount, except as set forth on Schedule 1.

(e) Set forth on Schedule 9 is a listing, as of the date of this Agreement, of all of Grantors' and their Subsidiaries' Deposit Accounts and Securities Accounts, including, with respect to each bank or securities intermediary (a) the name and address of such Person, and (b) the account numbers of the Deposit Accounts or Securities Accounts maintained with such Person.

(f) Schedule 8 sets forth all Real Property owned by any of the Grantors as of the date of this Agreement.

(g) As of the date of this Agreement: (i) Schedule 2 provides a complete and correct list of all registered Copyrights owned by any Grantor and all applications for registration of United States or Canadian Copyrights owned by any Grantor; (ii) Schedule 3 provides a complete and correct list of all Intellectual Property Licenses entered into by any Grantor pursuant to which any Person has granted to any Grantor any license or other rights in Intellectual Property owned or controlled by such Person that is material to the business of such Grantor, including any such Intellectual Property that is incorporated in any Inventory, software, or other product marketed, sold, licensed, or distributed by such Grantor (but excluding licenses of commercially available off-the-shelf software programs); (iii) Schedule 4 provides a complete and correct list of all issued United States or Canadian Patents owned by any Grantor and all applications for United States or Canadian Patents owned by any Grantor; and (iv) Schedule 6 provides a complete and correct list of all registered United States or Canadian Trademarks owned by any Grantor, and all applications for registration of Unites States or Canadian Trademarks owned by any Grantor.

(h) Except as set forth on Schedule 6(h),

(i) to each Grantor's knowledge, each Grantor owns exclusively, has the right to use or holds licenses in, all Intellectual Property that is necessary and material to the conduct of its business;

(ii) to each Grantor's knowledge, no Person is currently infringing or misappropriating any Intellectual Property rights owned by such Grantor that is necessary and material to the conduct of its business that is, or reasonably expected to have, a Material Adverse Effect;

(iii) (A) to each Grantor's knowledge, such Grantor is not currently (and the conduct of such Grantor's business is not currently) infringing or misappropriating any Intellectual Property rights of any Person, in each case, except where such infringement or misappropriation either individually or in the aggregate could not reasonably be expected to result in a Material Adverse Effect, and (B) there are no infringement or misappropriation claims or proceedings pending against any Grantor, and no Grantor has received any written notice or written communication, within the previous three (3) years, of any actual or alleged infringement or misappropriation by any Grantor of any Intellectual Property rights of any Person, in each case, except where such infringement or misappropriation claims either individually or in the aggregate could not reasonably be expected to result in a Material Adverse Effect; and

(iv) to each Grantor's knowledge and except as otherwise set forth on Schedule 2, Schedule 4 or Schedule 6, as applicable, all registered Copyrights, registered Trademarks and issued Patents that are owned by such Grantor and material to the conduct of its business are subsisting and a Grantor has made or performed all filings and payments and other actions that are required, in such Grantor's reasonable business judgment, to maintain such Intellectual Property in full force and effect.

(i) This Agreement and the DIP Orders create a valid security interest in the DIP Collateral of each Grantor. Pursuant to the terms of the DIP Orders, no filing or other action will be necessary to perfect or protect such security interests, provided that the Agent may, in its discretion, undertake all filings and other actions to protect such security interest, including filings in the jurisdictions listed next to such Grantor's name on Schedule 11. Upon the entry of the DIP Orders, Agent shall have a first priority perfected security interest in the DIP Collateral of each Grantor (subject to the Carve Out and Permitted Priority Liens).

(j) (i) Except for the Security Interest created hereby, each Grantor is and will at all times (unless otherwise permitted by the DIP Term Loan Credit Agreement) be the sole holder of record and the legal and beneficial owner, free and clear of all Liens other than Permitted Liens, of the Pledged Interests indicated on Schedule 5 as being owned by such Grantor and, when acquired by such Grantor, any Pledged Interests acquired after the date of this Agreement; (ii) all of the Pledged Interests are duly authorized, validly issued, fully paid and nonassessable, as applicable, and the Pledged Interests constitute or will constitute the percentage of the issued and outstanding Equity Interests of the Pledged Companies of such Grantor identified on Schedule 5 as supplemented or modified by any Pledged Interests Addendum or any Joinder to this Agreement; (iii) such Grantor has the right and requisite authority to pledge, the Investment Property pledged by such Grantor to Agent as provided herein; (iv) all actions necessary or desirable to perfect and establish the first priority of, or otherwise protect, Agent's DIP Liens (subject to Permitted Liens) in the Investment Property pledged by such Grantor to Agent as provided herein, and the proceeds thereof, have been duly taken, upon (A) the execution and delivery of this Agreement; (B) the taking of possession by Agent (or its agent or designee) of any certificates representing the Pledged Interests, to the

extent such Pledged Interests are represented by certificates, together with undated powers (or other documents of transfer reasonably acceptable to Agent) endorsed in blank by the applicable Grantor; (C) the entry of the DIP Orders, and to the extent the Agent deems advisable the filing of financing statements in the applicable jurisdiction set forth on Schedule 11 for such Grantor with respect to the Pledged Interests of such Grantor that are not represented by certificates, (D) with respect to any Securities Accounts (other than Excluded Deposit Accounts and Securities Accounts), the delivery of Control Agreements with respect thereto and (E) with respect to the Pledged Intercompany Notes, the taking of possession by Agent (or its agent or designee) thereof; and (v) each Grantor has delivered to and deposited with Agent (or, with respect to any Pledged Interests or Pledged Intercompany Notes created or obtained after the date of this Agreement, will deliver and deposit in accordance with Sections 7(a) and 9 hereof) all certificates representing the Pledged Interests owned by such Grantor to the extent such Pledged Interests are represented by certificates, and undated powers (or other documents of transfer reasonably acceptable to Agent) endorsed in blank with respect to such certificates, and has delivered all Pledged Intercompany Notes to Agent. None of the Pledged Interests owned or held by such Grantor has been issued or transferred in violation of any securities registration, securities disclosure, or similar laws of any jurisdiction to which such issuance or transfer may be subject.

(k) Subject to the entry of the DIP Orders, no consent, approval, authorization, or other order or other action by, and no notice to or filing with, any Governmental Authority or any other Person is required (i) for the grant of a Security Interest by such Grantor in and to the DIP Collateral pursuant to this Agreement or for the execution, delivery, or performance of this Agreement by such Grantor, or (ii) for the exercise by Agent of the voting or other rights provided for in this Agreement with respect to the Investment Property or the remedies in respect of the DIP Collateral pursuant to this Agreement, except as may be required in connection with such disposition of Investment Property by laws affecting the offering and sale of securities generally and except for consents, approvals, authorizations, or other orders or actions that have been obtained or given (as applicable) and that are still in force.

7. Covenants. Each Grantor, jointly and severally, covenants and agrees with Agent that from and after the date of this Agreement and until the date of termination of this Agreement in accordance with Section 23:

(a) Possession of DIP Collateral. In the event that any DIP Collateral, including Proceeds, is evidenced by or consists of Negotiable DIP Collateral (other than checks received in the ordinary course of business and promptly deposited in a Deposit Account of a Grantor in accordance with customary practices), certificated Investment Property, or Chattel Paper, in each case, having an aggregate value or face amount of $315,000 or more for all such Negotiable DIP Collateral, Investment Property, or Chattel Paper, the Grantors shall within five (5) Business Days of the acquisition thereof (or such longer period as agreed to by Agent), notify Agent thereof, and if and to the extent that perfection or priority of Agent's Security Interest is dependent on or enhanced by possession, the applicable Grantor, within five (5) Business Days (or such longer period as reasonably agreed to by Agent) after written request by Agent, shall execute such other documents and instruments as shall be reasonably requested in writing by Agent or, if applicable, endorse and deliver physical possession of such Negotiable DIP Collateral, Investment Property, or Chattel Paper to Agent, together with such undated powers

(or other relevant document of transfer acceptable to Agent) endorsed in blank as shall be reasonably requested in writing by Agent, and shall do such other acts reasonably deemed necessary or desirable by Agent to protect Agent's Security Interest therein;

(b) Chattel Paper.

(i) Within five (5) Business Days (or such longer period as agreed to by Agent) after written request by Agent, each Grantor shall take all steps reasonably necessary to grant Agent control of all electronic Chattel Paper in accordance with the Code and all "transferable records" as that term is defined in Section 16 of the Uniform Electronic Transaction Act and Section 201 of the federal Electronic Signatures in Global and National Commerce Act as in effect in any relevant jurisdiction, to the extent that the aggregate value or face amount of such electronic Chattel Paper equals or exceeds $315,000;

(ii) [Reserved];

(c) Control Agreements.

(i) Except to the extent otherwise excused by Section 7(k)(i), each Grantor shall obtain an authenticated Control Agreement (which may include a Controlled Account Agreement) from each bank maintaining a Deposit Account or Securities Account for such Grantor (other than with respect to Excluded Deposit Accounts and Securities Accounts) including, without limitation, in respect of the TL Deposit Account subject to Section 5.19 of the DIP Term Loan Credit Agreement;

(ii) Except to the extent otherwise excused by Section 7(k)(i), each Grantor shall obtain an authenticated Control Agreement from each issuer of uncertificated securities (other than with respect to uncertificated securities which constitute Excluded DIP Collateral), securities intermediary, or commodities intermediary issuing or holding any financial assets or commodities to or for any Grantor, or maintaining a Securities Account for such Grantor (other than with respect to Excluded Deposit Accounts and Securities Accounts); and

(iii) Except to the extent otherwise provided in Sections 7(a) or 7(k)(i), each Grantor shall obtain an authenticated Control Agreement with respect to all of such Grantor's Investment Property, except for any such Investment Property which constitutes a General Intangible or Excluded DIP Collateral;

(d) Letter-of-Credit Rights. If the Grantors (or any of them) are or become the beneficiary of letters of credit having a face amount or value of $315,000 or more in the aggregate, then the applicable Grantor or Grantors shall within five (5) Business Days (or such longer period as agreed to by Agent), notify Agent thereof and, promptly after written request by Agent, such Grantor or Grantors shall use commercially reasonable efforts to enter into a tri-party agreement with Agent and the issuer or confirming bank with respect to letter-of-credit rights assigning such letter-of-credit rights to Agent and directing all payments thereunder to Agent's Account, all in form and substance reasonably satisfactory to Agent;

(e) Commercial Tort Claims. If the Grantors (or any of them) obtain Commercial Tort Claims having a value, or involving an asserted claim, in the amount of $315,000 or more in the aggregate for all Commercial Tort Claims, then the applicable Grantor or Grantors shall promptly (and in any event within five (5) Business Days of obtaining such Commercial Tort Claim), notify Agent upon incurring or otherwise obtaining such Commercial Tort Claims and, promptly (and in any event within five (5) Business Days) after written request by Agent (or such longer period as agreed to by Agent), amend Schedule 1 to describe such Commercial Tort Claims in a manner that reasonably identifies such Commercial Tort Claims and which is otherwise reasonably satisfactory to Agent, and hereby authorizes the filing of additional financing statements or amendments to existing financing statements describing such Commercial Tort Claims, and agrees to do such other acts or things reasonably deemed necessary or desirable by Agent to give Agent a first priority, perfected security interest in any such Commercial Tort Claim, subject to Permitted Liens;

(f) Government Contracts. Other than Accounts and Chattel Paper the aggregate value of which does not at any one time exceed $625,000, if any Account or Chattel Paper arises out of a contract or contracts with the United States of America or any department, agency, or instrumentality thereof, Grantors shall promptly (and in any event within five (5) Business Days of the creation thereof or such longer period as reasonably agreed to by Agent) notify Agent thereof and, promptly (and in any event within five (5) Business Days) after request by Agent, execute any instruments or take any steps reasonably required by Agent in order that all moneys due or to become due under such contract or contracts shall be assigned to Agent, for the benefit of the Lender Group, and, after written request by Agent, shall provide written notice thereof under the Assignment of Claims Act or other applicable law;

(g) Intellectual Property.

(i) Upon the written request of Agent, in order to facilitate filings with the PTO and the United States Copyright Office, each Grantor shall execute and deliver to Agent one or more Copyright Security Agreements, Trademark Security Agreements, or Patent Security Agreements to further evidence Agent's DIP Lien on such Grantor's issued or applied-for Patents, registered or applied-for Trademarks, or applied-for Copyrights, in each case that do not constitute Excluded DIP Collateral;

(ii) Each Grantor shall, subject to its reasonable business judgment, with respect to Intellectual Property that is now owned or later becomes owned by such Grantor that is material to the conduct of such Grantor's business, protect and enforce and defend at such Grantor's expense such material Intellectual Property, including, subject to its reasonable business judgment, (A) to enforce and defend, by promptly suing for infringement, misappropriation, or dilution and to recover any and all damages for such infringement, misappropriation, or dilution, and filing opposition, interference, and cancellation of proceedings against conflicting Intellectual Property rights of any Person, (B) to prosecute diligently any trademark application or service mark application that is material to the conduct of any Grantor's business pending as of the date hereof or hereafter until the termination of this Agreement, (C) to prosecute diligently any patent application that is material to the conduct of any Grantor's business pending as of the date hereof or hereafter until the termination of this Agreement, and (D) to take reasonable and necessary action to preserve and maintain all of such Grantor's registered Trademarks, issued Patents and

registered Copyrights that are material to the conduct of any Grantor's business, and its rights therein, including paying all maintenance fees and filing of applications for renewal, affidavits of use, and affidavits of noncontestability. Each Grantor further agrees not to knowingly abandon any material Intellectual Property owned by such Grantor or material Intellectual Property License to which such Grantor is a party that, in such Grantor's reasonable business judgment, is necessary in the conduct of such Grantor's business;

(iii) Grantors acknowledge and agree that the Lender Group shall have no duties with respect to any Intellectual Property or Intellectual Property Licenses of any Grantor. Without limiting the generality of this Section 7(g)(iii), Grantors acknowledge and agree that no member of the Lender Group shall be under any obligation to take any steps necessary to preserve rights in the DIP Collateral consisting of Intellectual Property or Intellectual Property Licenses against any other Person, but any member of the Lender Group may do so at its option from and after the occurrence and during the continuance of an Event of Default, and all expenses incurred in connection therewith (including reasonable fees and expenses of attorneys and other professionals) shall be for the sole account of the Borrower;

(iv) [Intentionally Omitted].

(v) On a quarterly basis with the delivery of a Compliance Certificate pursuant to Section 5.2 of the DIP Term Loan Credit Agreement (or, if an Event of Default has occurred and is continuing, more frequently if requested by Agent), each Grantor shall provide Agent with a written report of all new Patents, Trademarks or Copyrights that are registered or the subject of pending applications for registrations, and of all Intellectual Property Licenses (but excluding licenses of off-the-shelf commercially available software programs), that are material to the conduct of such Grantor's business, in each case, which would not be considered Excluded DIP Collateral and which were acquired, registered, or for which applications for registration were filed by any Grantor during such fiscal quarter and copies of any statement of use or amendment to allege use with respect to intent to use trademark applications. In the case of such registrations or applications therefor, which were acquired by any Grantor from another Person, each such Grantor shall file the necessary documents with the appropriate Governmental Authority in the United States identifying the applicable Grantor as the owner (or as a co-owner thereof, if such is the case) of such Intellectual Property. In each of the foregoing cases, the applicable Grantor shall promptly cause to be prepared, executed, and delivered to Agent supplemental schedules to the applicable DIP Loan Documents to identify such Patent, Trademark and Copyright registrations and applications therefor and Intellectual Property Licenses, in each case to the extent not constituting Excluded DIP Collateral, as being subject to the security interests created thereunder; and

(vi) [Intentionally Omitted]

(vii) With respect to any Intellectual Property License (x) entered into after the date hereof, (y) that is material to the conduct of the business, and (z) by which any Grantor receives a license or rights in any material Intellectual Property of another Person, subject to its reasonable business judgment, Grantor shall use commercially reasonable efforts (not involving expending money in excess of de minimis amounts) to permit the assignment of or grant a security interest in such Intellectual Property License (and all rights of Grantor thereunder) to Agent (and any transferees of Agent).

(h) Investment Property.

(i) If any Grantor shall acquire or obtain any Pledged Interests constituting a "security" (as defined in the Code) or Pledged Intercompany Notes that do not constitute Excluded DIP Collateral after the date of this Agreement, such Grantor shall, within the time period prescribed in Section 5.11 of the DIP Term Loan Credit Agreement, deliver to Agent a duly executed Pledged Interests Addendum identifying such Pledged Interests and/or Pledged Intercompany Notes, as applicable, and deliver such newly acquired Pledged Interests or Pledged Intercompany Notes;

(ii) Upon the occurrence and during the continuance of an Event of Default, following the written request of Agent, all sums of money and property paid or distributed in respect of the Investment Property that are received by any Grantor shall be held by the Grantors in trust for the benefit of Agent segregated from such Grantor's other property, and such Grantor shall deliver it forthwith to Agent in the exact form received;

(iii) Each Grantor agrees that it will cooperate with Agent in obtaining all necessary approvals and making all necessary filings under federal, state, local, or foreign law to effect the perfection of the Security Interest on the Investment Property or, after an Event of Default has occurred and is continuing and following receipt of notice pursuant to Section 16, to effect any sale or transfer thereof;

(iv) As to all limited liability company or partnership interests, issued under any Pledged Operating Agreement or Pledged Partnership Agreement, each Grantor hereby covenants that the Pledged Interests issued pursuant to such agreement (A) are not and shall not be dealt in or traded on securities exchanges or in securities markets, (B) do not and will not constitute investment company securities, and (C) are not and will not be held by such Grantor in a securities account. In addition, none of the Pledged Operating Agreements, the Pledged Partnership Agreements, or any other agreements governing any of the Pledged Interests issued under any Pledged Operating Agreement or Pledged Partnership Agreement, provide or shall provide that such Pledged Interests are securities governed by Article 8 of the Uniform Commercial Code as in effect in any relevant jurisdiction while any Pledged Interests are pledged pursuant to this Agreement; provided, however, such Pledged Operating Agreement or Pledged Partnership Agreement, as applicable, may provide that such an Article 8 election can be made with the consent of all pledgees of such units and percentage ownership or the delivery of any applicable certificate or control agreement necessary to perfect each such pledgee's interests in the applicable units or percentage ownership.

(v) With regard to any Pledged Interests constituting a "security" (as defined in the Code) that are not certificated, any such Grantor of such non-certificated Pledged Interests (i) agrees promptly to note on its books the security interests granted to Agent and confirmed under this Agreement, (ii) agrees that after the occurrence and during the continuation of an Event of Default, it will comply with instructions of Agent or its nominee with respect to the applicable Pledged Interests without further consent by the applicable Grantor, (iii) to the extent permitted by law, agrees that the "issuer's jurisdiction" (as defined in Section 8-110 of the UCC) is the State of New York, U.S.A., (iv) agrees to notify Agent upon obtaining knowledge of any interest in favor of any person in the applicable Pledged Interests that is materially adverse to the

interest of the Agent therein, other than any Permitted Liens and (v) waives any right or requirement at any time hereafter to receive a copy of this Agreement in connection with the registration of any Pledged Interests hereunder in the name of Agent or its nominee or the exercise of voting rights by Agent or its nominee.

(i) [Intentionally Omitted].

(j) Transfers and Other Liens. Grantors shall not (i) sell, assign (by operation of law or otherwise) or otherwise dispose of, or grant any option with respect to, any of the DIP Collateral, except as expressly permitted by the DIP Term Loan Credit Agreement or the other DIP Loan Documents, or (ii) create or permit to exist any Lien upon or with respect to any of the DIP Collateral of any Grantor, except for Permitted Liens. The inclusion of Proceeds in the DIP Collateral shall not be deemed to constitute Agent's consent to any sale or other disposition of any of the DIP Collateral except as expressly permitted in this Agreement or the other DIP Loan Documents;

(k) Deposit Accounts; Securities Accounts.

(i) With respect to each Deposit Account and each Securities Account (excluding, in each case, any Excluded Deposit Accounts and Securities Accounts) set forth on Schedule 10 as of the date of this Agreement, each Grantor shall establish and maintain a Control Agreement (in form and substance reasonably acceptable to Agent) with Agent and the applicable bank set forth on Schedule 10 ("Controlled Account Bank"). Each Grantor shall promptly notify the Agent of any opening or closing of a deposit account or securities account (other than any Excluded Deposit Accounts and Securities Accounts). Notwithstanding anything to the contrary provided herein, (a) to the extent a Control Agreement is required for a Deposit Account or Securities Account that does not constitute an Excluded Deposit Account and Securities Account (1) on the date of this Agreement, such Control Agreement shall not be required to be delivered until the date that falls 90 days following the date of this Agreement (or such later date as the Agent may reasonably agree) and (2) thereafter, with respect to the formation or acquisition of any new direct or indirect wholly owned Subsidiary by any Grantor or any Subsidiary that becomes a Grantor, such Control Agreement shall not be required to be delivered until the date that falls 90 days after the date of such occurrence (or such later date as the Agent may reasonably agree) and (b) no Grantor shall enter into a Control Agreement with respect a Deposit Account or a Securities Account with ABL DIP Agent unless (1) Agent is made a party to such Control Agreement or (2) such Grantor has previously entered, or concurrently therewith enters, into a Control Agreement (in form and substance reasonably acceptable to Agent) with respect to such Deposit Account or Securities Account with Agent.

(ii) So long as no Default or Event of Default has occurred and is continuing, Borrower may amend Schedule 10 to add or replace a Controlled Account Bank or Controlled Account and shall upon such addition or replacement provide to Agent an amended Schedule 10; provided, however, that (A) such prospective Controlled Account Bank shall be reasonably satisfactory to Agent and (B) prior to or concurrently with the time of the opening of such Controlled Account, the applicable Grantor and such prospective Controlled Account Bank shall have executed and delivered to Agent a Control Agreement (in form and substance reasonably acceptable to Agent) with respect to such Controlled Account.

(iii) No Grantor will make, acquire, or permit to exist Permitted Investments consisting of cash, Cash Equivalents, or amounts credited to Deposit Accounts or Securities Accounts unless Grantor and the applicable bank or securities intermediary have entered into Control Agreements with Agent governing such Permitted Investments in order to perfect (and further establish) Agent's DIP Liens in such Permitted Investments (unless constituting Excluded Deposit Accounts and Securities Accounts).

(iv) [Reserved].

(l) Name, Etc. No Grantor will change its name, organizational identification number, jurisdiction of organization or organizational identity; provided, that notwithstanding the foregoing any Grantor may change its name upon at least five (5) days' (or such shorter period agreed to by Agent) prior written notice to Agent.

8. Relation to Other Security Documents. The provisions of this Agreement shall be read and construed with the other DIP Loan Documents referred to below in the manner so indicated.

(a) DIP Term Loan Credit Agreement. In the event of any conflict between any provision in this Agreement and a provision in the DIP Term Loan Credit Agreement, such provision of the DIP Term Loan Credit Agreement shall control.

(b) Patent, Trademark, Copyright Security Agreements. The provisions of the Copyright Security Agreements, Trademark Security Agreements, and Patent Security Agreements are supplemental to the provisions of this Agreement, and nothing contained in the Copyright Security Agreements, Trademark Security Agreements, or the Patent Security Agreements shall limit any of the rights or remedies of Agent hereunder. In the event of any conflict between any provision in this Agreement and a provision in a Copyright Security Agreement, Trademark Security Agreement or Patent Security Agreement, such provision of this Agreement shall control.

9. Further Assurances.

(a) Subject to the limitations in this Agreement, the DIP Orders and the other DIP Loan Documents, each Grantor agrees that from time to time, at its own expense, such Grantor will promptly execute and deliver all further instruments and documents, and take all further action, that Agent may reasonably request in writing, in order to perfect (if and to the extent such perfection is required by this Agreement and, with respect to Intellectual Property, could be achieved by the filings required by this Agreement) and protect the Security Interest granted hereby, to create, perfect (if and to the extent such perfection is required by this Agreement and, with respect to Intellectual Property, could be achieved by the filings required by this Agreement) or protect the Security Interest purported to be granted hereby or to enable Agent to exercise and enforce its rights and remedies hereunder with respect to any of the DIP Collateral.

(b) Each Grantor authorizes the filing by Agent of financing or continuation statements, or amendments thereto, and such Grantor will execute and deliver to Agent such

other instruments or notices, as Agent may reasonably request in writing, in order to perfect (if and to the extent such perfection is required by this Agreement and, with respect to Intellectual Property, could be achieved by the filings required by this Agreement) and preserve the Security Interest granted or purported to be granted hereby.

(c) Each Grantor authorizes Agent at any time and from time to time to file, transmit, or communicate, as applicable, financing statements and amendments (i) describing the DIP Collateral as "all personal property of debtor, whether now owned or hereafter acquired or arising" or "all assets of debtor, whether now owned or hereafter acquired or arising" or words of similar effect, (ii) describing the DIP Collateral as being of equal or lesser scope or with greater detail, or (iii) that contain any information required by part 5 of Article 9 of the Code for the sufficiency or filing office acceptance. Each Grantor also hereby ratifies any and all financing statements or amendments previously filed by Agent in any jurisdiction.

(d) Each Grantor acknowledges that it is not authorized to file any financing statement or amendment or termination statement with respect to any financing statement filed in connection with this Agreement without the prior written consent of Agent, subject to such Grantor's rights under Section 9-509(d)(2) of the Code.

10. Agent's Right to Perform Contracts, Exercise Rights, etc. Subject to the DIP Orders, upon the occurrence and during the continuance of an Event of Default and with concurrent notice to the Grantors, Agent (or its designee) (a) may proceed to perform any and all of the obligations of any Grantor contained in any contract, lease, or other agreement (in each case, that does not constitute Excluded DIP Collateral) and exercise any and all rights of any Grantor therein contained as fully as such Grantor itself could, (b) shall have the right to use any Grantor's rights under Intellectual Property Licenses that do not constitute Excluded DIP Collateral (to the extent not prohibited under the applicable Intellectual Property License or under applicable law) in connection with the enforcement of Agent's rights hereunder, including the right to prepare for sale and sell any and all Inventory or Equipment now or hereafter owned by any Grantor and now or hereafter covered by such licenses, and (c) shall, upon notice to Grantors of Agent's election to exercise such rights pursuant to Section 16, have the right to request that any Equity Interests that are pledged hereunder be registered in the name of Agent or any of its nominees.

11. Agent Appointed Attorney-in-Fact. Each Grantor hereby irrevocably appoints (until the termination of this Agreement) Agent its attorney-in-fact for the purposes provided in this Section 11, with full authority in the place and stead of such Grantor and in the name of such Grantor, solely at such time as an Event of Default has occurred and is continuing under the DIP Term Loan Credit Agreement, to take any action and to execute any instrument which Agent may reasonably deem necessary or advisable to accomplish the purposes of this Agreement, including:

(a) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in connection with the Accounts or any other DIP Collateral of such Grantor;

(b) to receive and open all mail addressed to such Grantor and to notify postal authorities to change the address for the delivery of mail to such Grantor to that of Agent;

(c) to receive, indorse, and collect any drafts or other instruments, documents, Negotiable DIP Collateral or Chattel Paper;

(d) to file any claims or take any action or institute any proceedings which Agent may reasonably deem necessary for the collection of any of the DIP Collateral of such Grantor or otherwise to enforce the rights of Agent with respect to any of the DIP Collateral;

(e) to repair, alter, or supply goods, if any, necessary to fulfill in whole or in part the purchase order of any Person obligated to such Grantor in respect of any Account of such Grantor;

(f) to use any Intellectual Property Licenses (to the extent not prohibited under the applicable Intellectual Property License or otherwise under applicable law) of such Grantor that does not constitute Excluded DIP Collateral, or any labels, Patents, Trademarks, trade names, URLs, domain names, industrial designs, Copyrights or advertising matter owned by such Grantor that does not constitute Excluded DIP Collateral, in preparing for sale, advertising for sale, or selling Inventory or other DIP Collateral and to collect any amounts due under Accounts, contracts or Negotiable DIP Collateral of such Grantor; and

(g) Agent, on behalf of the Lender Group, shall have the right, but shall not be obligated, to bring suit in its own name to enforce the Intellectual Property and Intellectual Property Licenses (to the extent not prohibited under the applicable Intellectual Property License and otherwise permitted under applicable law), in each case that constitutes DIP Collateral and that does not constitute Excluded DIP Collateral which are necessary and material to the operation of Grantor's business and, if Agent shall commence any such suit, the appropriate Grantor shall, at the written request of Agent, do any and all lawful acts and execute any and all proper documents reasonably required by Agent in aid of such enforcement.

To the extent permitted by law, each Grantor hereby ratifies all that such attorney-in-fact shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable until this Agreement is terminated. If requested by a Grantor, upon termination of this Agreement, Agent shall furnish evidence of termination of the power of attorney given to Agent under this Section 11.

12. Agent May Perform. Upon the occurrence and during the continuation of an Event of Default, if any Grantor fails to perform any agreement contained herein, Agent may itself, upon concurrent notice to the applicable Grantor, perform, or cause performance of, such agreement, and the reasonable, documented and out-of-pocket expenses of Agent incurred in connection therewith shall be payable, jointly and severally, by Grantors.

13. Agent's Duties. The powers conferred on Agent hereunder are solely to protect Agent's interest in the DIP Collateral, for the benefit of the Lender Group, and shall not impose any duty upon Agent to exercise any such powers. Except for the safe custody of any DIP Collateral in its actual possession and the accounting for moneys actually received by it

hereunder, Agent shall have no duty as to any DIP Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any DIP Collateral. Agent shall be deemed to have exercised reasonable care in the custody and preservation of any DIP Collateral in its actual possession if such DIP Collateral is accorded treatment substantially equal to that which Agent accords its own property.

14. Collection of Accounts, General Intangibles and Negotiable DIP Collateral. Subject to the Dip Orders, at any time upon the occurrence and during the continuation of an Event of Default, Agent or Agent's designee may (a) notify Account Debtors of any Grantor that the Accounts, General Intangibles Chattel Paper or Negotiable DIP Collateral of such Grantor have been assigned to Agent, for the benefit of the Lender Group, or that Agent has a security interest therein, and (b) collect the Accounts, General Intangibles and Negotiable DIP Collateral of any Grantor directly, and any collection costs and expenses shall constitute part of such Grantor's DIP Secured Obligations under the DIP Loan Documents.

15. Disposition of Pledged Interests by Agent. None of the Pledged Interests existing as of the date of this Agreement are, and none of the Pledged Interests hereafter acquired on the date of acquisition thereof will be, registered or qualified under the various federal or state securities laws of the United States and disposition thereof after an Event of Default has occurred and is continuing may be restricted to one or more private (instead of public) sales in view of the lack of such registration. Each Grantor understands that in connection with such disposition, Agent may approach only a restricted number of potential purchasers and further understands that a sale under such circumstances may yield a lower price for the Pledged Interests than if the Pledged Interests were registered and qualified pursuant to federal and state securities laws and sold on the open market. Each Grantor, therefore, agrees that: (a) if Agent shall, pursuant to the terms of this Agreement, sell or cause the Pledged Interests or any portion thereof to be sold at a private sale, Agent shall have the right to rely upon the advice and opinion of any nationally recognized brokerage or investment firm (but shall not be obligated to seek such advice and the failure to do so shall not be considered in determining the commercial reasonableness of such action) as to the best manner in which to offer the Pledged Interest or any portion thereof for sale and as to the best price reasonably obtainable at the private sale thereof; and (b) such reliance shall be conclusive evidence that Agent has handled the disposition in a commercially reasonable manner.

16. Voting and Other Rights in Respect of Pledged Interests.

(a) Subject to the DIP Orders, upon the occurrence and during the continuation of an Event of Default, (i) Agent may, at its option, immediately upon prior written notice to such Grantor of Agent's intention to exercise its remedies pursuant to this Section 16(a), and in addition to all rights and remedies available to Agent under any other agreement, at law, in equity, or otherwise, exercise all voting rights, or any other ownership or consensual rights (including any dividend or distribution rights) in respect of the Pledged Interests owned by such Grantor, but under no circumstances is Agent obligated by the terms of this Agreement to exercise such rights, and (ii) each Grantor hereby appoints Agent, such Grantor's true and lawful attorney-in-fact and IRREVOCABLE PROXY to vote such Pledged Interests in any manner Agent deems advisable for or against all matters submitted or which may be submitted to a vote of shareholders, partners or members, as the case may be. The power-of-attorney and proxy

granted hereby is coupled with an interest and shall be irrevocable until the payment in full of the DIP Secured Obligations in accordance with the provisions of the DIP Term Loan Credit Agreement and the DIP Loan Commitments have expired or have been terminated.

(b) For so long as any Grantor shall have the right to vote the Pledged Interests owned by it, such Grantor covenants and agrees that it will not, without the prior written consent of Agent, vote or take any consensual action with respect to such Pledged Interests which would materially adversely affect the rights of Agent, the other members of the Lender Group or the value of the Pledged Interests, other than to the extent expressly permitted by the DIP Term Loan Credit Agreement.

17. Remedies. Subject to the DIP Orders, upon the occurrence and during the continuance of an Event of Default:

(a) Agent may, and, at the instruction of the Required Lenders, shall exercise in respect of the DIP Collateral, in addition to other rights and remedies provided for herein, in the other DIP Loan Documents, or otherwise available to it, all the rights and remedies of a secured party on default under the Code or any other applicable law. Without limiting the generality of the foregoing, each Grantor expressly agrees that, in any such event, Agent without demand of performance or other demand, advertisement or notice of any kind (except a notice specified below of time and place of public or private sale) to or upon any Grantor or any other Person (all and each of which demands, advertisements and notices are hereby expressly waived to the maximum extent permitted by the Code or any other applicable law), may take immediate possession of all or any portion of the DIP Collateral and (i) require Grantors to, and each Grantor hereby agrees that it will at its own expense and upon written request of Agent forthwith, assemble all or part of the DIP Collateral as directed by Agent and make it available to Agent at one or more locations where such Grantor regularly maintains Inventory, and (ii) without notice except as specified below, sell the DIP Collateral or any part thereof in one or more parcels at public or private sale, at any of Agent's offices or elsewhere, for cash, on credit, and upon such other terms as Agent may deem commercially reasonable. Each Grantor agrees that, to the extent notification of sale shall be required by law, at least ten (10) days' prior notification by mail to the applicable Grantor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification and, specifically, such notification shall constitute a reasonable "authenticated notification of disposition" within the meaning of Section 9-611 of the Code (or its equivalent in other jurisdictions). Agent shall not be obligated to make any sale of DIP Collateral regardless of notification of sale having been given. Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. Each Grantor agrees that (A) the internet shall constitute a "place" for purposes of Section 9-610(b) of the Code and (B) to the extent notification of sale shall be required by law, notification by mail of the URL where a sale will occur and the time when a sale will commence at least ten (10) days prior to the sale shall constitute a reasonable notification for purposes of Section 9-611(b) of the Code.

(b) Upon the occurrence and during the continuance of an Event of Default, Agent is hereby granted a non-exclusive license or other right to use, without liability for royalties or any other charge to Grantors, each Grantor's DIP Collateral constituting Intellectual

Property including but not limited to, any labels, Patents, Trademarks, trade names, URLs, domain names, industrial designs, Copyrights, and advertising matter, whether owned by any Grantor or with respect to which any Grantor has rights under license, sublicense, or other agreements (including any Intellectual Property License) to the extent not prohibited under the applicable license, sublicense or other agreement (including any Intellectual Property License) and otherwise permitted under applicable law, as it pertains to the DIP Collateral, in preparing for sale, advertising for sale and selling any DIP Collateral, and each Grantor's rights under all licenses, sublicenses or other agreements (including any Intellectual Property Licenses) shall inure to the benefit of Agent to the extent not prohibited under the applicable license, sublicense or other agreement (including any Intellectual Property License) and otherwise permitted under applicable law.

(c) Agent may, in addition to other rights and remedies provided for herein, in the other DIP Loan Documents, or otherwise available to it under applicable law and without the requirement of notice to or upon any Grantor or any other Person (which notice is hereby expressly waived to the maximum extent permitted by the Code or any other applicable law), (i) with respect to any Grantor's Deposit Accounts in which Agent's DIP Liens are perfected by control under Section 9-104 of the Code, instruct the bank maintaining such Deposit Account for the applicable Grantor to pay the balance of such Deposit Account to or for the benefit of Agent, and (ii) with respect to any Grantor's Securities Accounts in which Agent's DIP Liens are perfected by control under Section 9-106 of the Code, instruct the securities intermediary maintaining such Securities Account for the applicable Grantor to (A) transfer any cash in such Securities Account to or for the benefit of Agent, or (B) liquidate any financial assets in such Securities Account that are customarily sold on a recognized market and transfer the cash proceeds thereof to or for the benefit of Agent.

(d) Any cash held by Agent as DIP Collateral and all cash proceeds received by Agent in respect of any sale of, collection from, or other realization upon all or any part of the DIP Collateral shall be applied against the DIP Secured Obligations in the order set forth in the DIP Term Loan Credit Agreement. In the event the proceeds of DIP Collateral are insufficient to satisfy all of the DIP Secured Obligations in full, each Grantor shall remain jointly and severally liable for any such deficiency.

(e) Each Grantor hereby acknowledges that the DIP Secured Obligations arise out of a commercial transaction, and agrees that if an Event of Default shall occur and be continuing Agent shall have the right to an immediate writ of possession without notice of a hearing. Agent shall have the right to the appointment of a receiver for the properties and assets of each Grantor, and each Grantor hereby consents to such rights and such appointment and hereby waives any objection such Grantor may have thereto or the right to have a bond or other security posted by Agent.

18. Remedies Cumulative. Each right, power, and remedy of Agent or any other member of the Lender Group as provided for in this Agreement or the other DIP Loan Documents now or hereafter existing at law or in equity or by statute or otherwise shall be cumulative and concurrent and shall be in addition to every other right, power, or remedy provided for in this Agreement and the other DIP Loan Documents or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by

Agent or any other member of the Lender Group of any one or more of such rights, powers, or remedies shall not preclude the simultaneous or later exercise by Agent, such other member of the Lender Group of any or all such other rights, powers, or remedies.

19. Marshaling. Agent shall not be required to marshal any present or future collateral security (including but not limited to the DIP Collateral) for, or other assurances of payment of, the DIP Secured Obligations or any of them or to resort to such collateral security or other assurances of payment in any particular order, and all of its rights and remedies hereunder and in respect of such collateral security and other assurances of payment shall be cumulative and in addition to all other rights and remedies, however existing or arising. To the extent that it lawfully may, each Grantor hereby agrees that it will not invoke any law relating to the marshaling of collateral which might cause delay in or impede the enforcement of Agent's rights and remedies under this Agreement or under any other instrument creating or evidencing any of the DIP Secured Obligations or under which any of the DIP Secured Obligations is outstanding or by which any of the DIP Secured Obligations is secured or payment thereof is otherwise assured, and, to the extent that it lawfully may, each Grantor hereby irrevocably waives the benefits of all such laws.

20. [Intentionally Omitted].

21. Merger, Amendments; Etc. THIS AGREEMENT, TOGETHER WITH THE OTHER DIP LOAN DOCUMENTS, REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN AGREEMENTS BETWEEN THE PARTIES. No waiver of any provision of this Agreement, and no consent to any departure by any Grantor herefrom, shall in any event be effective unless the same shall be in writing and signed by Agent, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No amendment of any provision of this Agreement shall be effective unless the same shall be in writing and signed by Agent and each Grantor to which such amendment applies.

22. Addresses for Notices. All notices and other communications provided for hereunder shall be given in the form and manner and delivered to Agent at its address specified in the DIP Term Loan Credit Agreement, and to any of the Grantors at their respective addresses specified in the DIP Term Loan Credit Agreement or Guaranty, as applicable, or, as to any party, at such other address as shall be designated by such party in a written notice to the other party.

23. Continuing Security Interest: Assignments under DIP Term Loan Credit Agreement.

(a) This Agreement and the DIP Orders shall create a continuing security interest in the DIP Collateral and shall (i) remain in full force and effect until the DIP Secured Obligations have been paid in full, (ii) be binding upon each Grantor, and their respective successors and assigns, including without limitation any trustee appointed upon the conversion of the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code, and (iii) inure to the benefit of, and be enforceable by, Agent, and its successors, permitted transferees and permitted

assigns. Without limiting the generality of the foregoing clause (iii), any Lender may, in accordance with the provisions of the DIP Term Loan Credit Agreement, assign or otherwise transfer all or any portion of its rights and obligations under the DIP Term Loan Credit Agreement to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to such Lender herein or otherwise. Upon (i) payment in full of the DIP Secured Obligations , the Security Interest granted hereby shall automatically terminate and all rights to the DIP Collateral shall revert to Grantors or any other Person entitled thereto and (ii) any disposition of DIP Collateral (including a disposition of all of the Equity Interests or all or substantially all of the assets of a Guarantor) permitted by the terms of the DIP Term Loan Credit Agreement (including, without limitation, pursuant to a waiver or consent) and receipt by Agent of the Net Cash Proceeds thereof to the extent required pursuant to the terms of the DIP Loan Documents, as applicable, (x) the Security Interest granted hereby in such DIP Collateral shall automatically terminate and all rights to such DIP Collateral shall revert to a Person entitled thereto and (y) if such disposition is of all of the Equity Interests of a Guarantor, such Guarantor shall automatically be released from its DIP Guarantied Obligations hereunder. At such time of (i) or (ii) above, Agent will authorize the filing of appropriate termination statements to terminate such Security Interests or release such Guarantor, will execute and deliver to Grantors all releases or other documents reasonably necessary or desirable to evidence such release and will take any further actions as may be reasonably requested by Grantors to evidence such termination and release. Each Grantor shall automatically be released from its obligations hereunder and the Security Interest in the DIP Collateral of such Grantor shall be automatically released if such Grantor becomes an Excluded Subsidiary (as certified in writing by a Responsible Officer) pursuant to the terms of the DIP Term Loan Credit Agreement.

(b) Each Grantor agrees that, if any payment made by any Grantor or other Person and applied to the DIP Guarantied Obligations or DIP Secured Obligations (as applicable) is at any time annulled, avoided, set, aside, rescinded, invalidated, declared to be fraudulent or preferential or otherwise required to be refunded or repaid, or the proceeds of any DIP Collateral are required to be returned by Agent or any other member of the Lender Group to such Grantor, its estate, trustee, receiver or any other party, including any Grantor, under any bankruptcy law, state or federal law, common law or equitable cause, then, to the extent of such payment or repayment, any Lien or other DIP Collateral securing such liability shall be and remain in full force and effect, as fully as if such payment had never been made. If, prior to any of the foregoing, (i) any Lien or other DIP Collateral securing such Grantor's liability hereunder shall have been released or terminated by virtue of the foregoing clause (a), or (ii) any provision of the Guaranty hereunder shall have been terminated, cancelled or surrendered, such Lien, other DIP Collateral or provision shall be reinstated in full force and effect and such prior release, termination, cancellation or surrender shall not diminish, release, discharge, impair or otherwise affect the obligations of any such Grantor in respect of any Lien or other DIP Collateral securing such obligation or the amount of such payment.

24. Survival. All representations and warranties made by the Grantors in this Agreement and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of any loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that Agent or any Lender may have had notice or knowledge of any Default or Event of Default

or incorrect representation or warranty at the time any credit is extended under the DIP Term Loan Credit Agreement, and shall continue in full force and effect until the DIP Secured Obligations are paid in full.

25. CHOICE OF LAW AND VENUE; JURY TRIAL WAIVER; JUDICIAL REFERENCE PROVISION.

(a) THE VALIDITY OF THIS AGREEMENT, THE CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT HEREOF, THE RIGHTS OF THE PARTIES HERETO WITH RESPECT TO ALL MATTERS ARISING HEREUNDER OR RELATED HERETO, AND ANY CLAIMS, CONTROVERSIES OR DISPUTES ARISING HEREUNDER OR RELATED HERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

(b) THE PARTIES AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS AGREEMENT SHALL BE TRIED AND LITIGATED ONLY IN THE STATE COURTS AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, FEDERAL COURTS LOCATED IN THE COUNTY OF NEW YORK, STATE OF NEW YORK; PROVIDED, THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY DIP COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT AGENT'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE AGENT ELECTS TO BRING SUCH ACTION OR WHERE SUCH DIP COLLATERAL OR OTHER PROPERTY MAY BE FOUND. EACH GRANTOR AND AGENT WAIVE, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 25(b).

(c) TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH GRANTOR AND AGENT HEREBY WAIVE THEIR RESPECTIVE RIGHTS, IF ANY, TO A JURY TRIAL OF ANY CLAIM, CONTROVERSY, DISPUTE OR CAUSE OF ACTION DIRECTLY OR INDIRECTLY BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS (EACH A "CLAIM"). EACH GRANTOR AND AGENT REPRESENT THAT EACH HAS REVIEWED THIS WAIVER AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

(d) EACH GRANTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS LOCATED IN THE COUNTY OF NEW YORK AND THE STATE OF NEW YORK, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL

JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT SHALL AFFECT ANY RIGHT THAT AGENT MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AGAINST ANY GRANTOR OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(e) NO CLAIM MAY BE MADE BY ANY GRANTOR AGAINST THE AGENT OR ANY LENDER, OR ANY AFFILIATE, DIRECTOR, OFFICER, EMPLOYEE, COUNSEL, REPRESENTATIVE, AGENT, OR ATTORNEY-IN-FACT OF ANY OF THEM FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, OR PUNITIVE DAMAGES IN RESPECT OF ANY CLAIM FOR BREACH OF CONTRACT OR ANY OTHER THEORY OF LIABILITY ARISING OUT OF OR RELATED TO THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, OR ANY ACT, OMISSION, OR EVENT OCCURRING IN CONNECTION HEREWITH, AND EACH GRANTOR HEREBY WAIVES, RELEASES, AND AGREES NOT TO SUE UPON ANY CLAIM FOR SUCH DAMAGES, WHETHER OR NOT ACCRUED AND WHETHER OR NOT KNOWN OR SUSPECTED TO EXIST IN ITS FAVOR.

Notwithstanding any other provision of this Section 25, the Bankruptcy Court shall have exclusive jurisdiction over any action or dispute involving, relating to or arising out of this Agreement.

26. New Subsidiaries. Pursuant to Section 5.11 of the DIP Term Loan Credit Agreement, certain Subsidiaries (whether by acquisition or creation) of any Grantor are required to enter into this Agreement by executing and delivering in favor of Agent a Joinder to this Agreement in substantially the form of Annex 1. Upon the execution and delivery of Annex 1 by any such new Subsidiary, such Subsidiary shall become a Guarantor and Grantor hereunder with the same force and effect as if originally named as a Guarantor and Grantor herein. The execution and delivery of any instrument adding an additional Guarantor or Grantor as a party to this Agreement shall not require the consent of any other Guarantor or Grantor hereunder. The rights and obligations of each Guarantor and Grantor hereunder shall remain in full force and effect notwithstanding the addition of any new Guarantor or Grantor hereunder.

27. Agent. Each reference herein to any right granted to, benefit conferred upon or power exercisable by the "Agent" shall be a reference to Agent, for the benefit of each member of the Lender Group.

28. Miscellaneous.

(a) This Agreement is a DIP Loan Document. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Agreement. Delivery of an executed counterpart of this Agreement by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile or other electronic

method of transmission also shall deliver an original executed counterpart of this Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement. The foregoing shall apply to each other DIP Loan Document *mutatis mutandis*.

(b) Any provision of this Agreement which is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof in that jurisdiction or affecting the validity or enforceability of such provision in any other jurisdiction. Each provision of this Agreement shall be severable from every other provision of this Agreement for the purpose of determining the legal enforceability of any specific provision.

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

(d) Neither this Agreement nor any uncertainty or ambiguity herein shall be construed against any member of the Lender Group or any Grantor, whether under any rule of construction or otherwise. This Agreement has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to accomplish fairly the purposes and intentions of all parties hereto.

(e) Agent shall not by any act, delay, omission or otherwise, be deemed to have waived any of its rights or remedies hereunder, unless such waiver is in writing and signed by Agent and then only to the extent therein set forth. A waiver by Agent of any right or remedy on any occasion shall not be construed as a bar to the exercise of any such right or remedy which Agent would otherwise have had on any other occasion.

(f) This Agreement is subject in all respects to the terms and conditions of the Intercreditor Agreement. In the event of any conflict between any provision in this Agreement and a provision in the Intercreditor Agreement, such provision of the Intercreditor Agreement shall control between Agent, on the one hand, and Wells Fargo Bank, National Association, as the administrative agent under the ABL Agreement (the "ABL DIP Agent"), on the other hand. Notwithstanding any provisions to the contrary contained in this Agreement, subject to the terms of the Intercreditor Agreement, any obligation of any Grantor under any provision in this Agreement or in any other DIP Loan Document with respect to delivery and control of DIP Collateral (including, without limitation, the requirements to endorse, assign, and/or deliver any certificates, instruments, documents, or other possessory collateral to Agent), the novation of any lien on any certificate of title, bill of lading, or other document, the giving of any notice to any bailee or other Person, the provision of voting rights or the obtaining of any consent of any Person shall be deemed to be satisfied if the applicable Grantor complies with the requirements of the analogous provision in the applicable ABL DIP Facility Document. Any reference in this Agreement to a "first priority security interest" or words of similar effect in describing the security interests created hereunder shall be understood to refer to such priority subject to, in the case of ABL Priority Collateral (as defined in the Intercreditor Agreement), the claims of the ABL DIP Agent under the ABL DIP Loan Documents.

[signature pages follow]

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

GRANTORS:

DREAM II HOLDINGS, LLC

By:_____
Name:
Title:

HOLLANDER HOME FASHIONS HOLDINGS, LLC

By:_____
Name:
Title:

HOLLANDER SLEEP PRODUCTS, LLC

By:_____
Name:
Title:

HOLLANDER SLEEP PRODUCTS KENTUCKY, LLC

By:_____
Name:
Title:

PACIFIC COAST FEATHER, LLC

By:_____
Name:
Title:

PACIFIC COAST FEATHER
CUSHION, LLC

By:_____
Name:
Title:

AGENT:

BARINGS FINANCE LLC, as
Agent

By:_____
Name: Brady Sutton
Title: Managing Director

ANNEX 1 TO
DEBTOR-IN-POSSESSION TERM LOAN GUARANTY AND SECURITY AGREEMENT
FORM OF JOINDER

Joinder No. ____ (this "Joinder"), dated as of _____ 20___, to the Debtor-In-Possession Term Loan Guaranty and Security Agreement, dated as of May [_], 2019 (as amended, restated, supplemented, or otherwise modified from time to time, the "DIP Guaranty and Security Agreement"), by and among each of the parties listed on the signature pages thereto and those additional entities that thereafter become parties thereto (collectively, jointly and severally, "Grantors" and each, individually, a "Grantor") and **BARINGS FINANCE LLC**, in its capacity as agent for the Lender Group (in such capacity, together with its successors and permitted assigns in such capacity, "Agent").

W I T N E S S E T H:

WHEREAS, pursuant to that certain DIP Term Loan Credit Agreement dated as of May [_], 2019 (as amended, restated, extended, refinanced, supplemented, or otherwise modified from time to time, the "DIP Term Loan Credit Agreement") by and among **DREAM II HOLDINGS, LLC**, a Delaware limited liability company ("Parent"), **HOLLANDER HOME FASHIONS HOLDINGS, LLC**, a Delaware limited liability company, **HOLLANDER SLEEP PRODUCTS, LLC**, a Delaware limited liability company, each other Affiliate or Subsidiary of Parent from time to time party thereto, the lenders party thereto as "Lenders" (each of such Lenders, together with its successors and permitted assigns, is referred to hereinafter as a "Lender"), and Agent, the Lender Group has agreed to make certain financial accommodations available to Borrower from time to time pursuant to the terms and conditions thereof; and

WHEREAS, initially capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the DIP Guaranty and Security Agreement or, if not defined therein, in the DIP Term Loan Credit Agreement, and this Joinder shall be subject to the rules of construction set forth in Sections 1(b) through 1(d) of the DIP Guaranty and Security Agreement, which rules of construction are incorporated herein by this reference, *mutatis mutandis*; and

WHEREAS, Grantors have entered into the DIP Guaranty and Security Agreement in order to induce the Lender Group to make certain financial accommodations to Borrower as provided for in the DIP Term Loan Credit Agreement and the other DIP Loan Documents; and

WHEREAS, pursuant to Section 5.11 of the DIP Term Loan Credit Agreement and Section 26 of the DIP Guaranty and Security Agreement, certain Subsidiaries of the Loan Parties, must execute and deliver certain DIP Loan Documents, including the DIP Guaranty and Security Agreement, and the joinder to the DIP Guaranty and Security Agreement by the undersigned new Grantor or Grantors (collectively, the "New Grantors") may be accomplished by the execution of this Joinder in favor of Agent, for the benefit of the Lender Group; and

WHEREAS, each New Grantor (a) is [**an Affiliate**] [**a Subsidiary**] of Borrower and, as such, will benefit by virtue of the financial accommodations extended to Borrower by the Lender

Group and (b) by becoming a Grantor will benefit from certain rights granted to the Grantors pursuant to the terms of the DIP Loan Documents;

NOW, THEREFORE, for and in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each New Grantor hereby agrees as follows:

29. In accordance with Section 26 of the DIP Guaranty and Security Agreement, each New Grantor, by its signature below, becomes a "Grantor" and "Guarantor" under the DIP Guaranty and Security Agreement with the same force and effect as if originally named therein as a "Grantor" and "Guarantor" and each New Grantor hereby (a) agrees to all of the terms and provisions of the DIP Guaranty and Security Agreement applicable to it as a "Grantor" or "Guarantor" thereunder and (b) represents and warrants that the representations and warranties made by it as a "Grantor" or "Guarantor" thereunder are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that are already qualified or modified by materiality in the text thereof) on and as of the date hereof. In furtherance of the foregoing, each New Grantor hereby (a) jointly and severally unconditionally and irrevocably guarantees as a primary obligor and not merely as a surety the full and prompt payment when due, whether upon maturity, acceleration, or otherwise, of all of the DIP Guarantied Obligations, and (b) grants and pledges to Agent, for the benefit of each member of the Lender Group, to secure the DIP Secured Obligations , a continuing security interest in and to all of such New Grantor's right, title and interest in the DIP Collateral. Each reference to a "Grantor" or "Guarantor" in the DIP Guaranty and Security Agreement shall be deemed to include each New Grantor. The DIP Guaranty and Security Agreement is incorporated herein by reference.

30. Schedule 1, "Commercial Tort Claims", Schedule 2, "Copyrights", Schedule 3, "Intellectual Property Licenses", Schedule 4, "Patents", Schedule 5, "Pledged Companies", Schedule 6, "Trademarks", Schedule 7, Name; Chief Executive Office; Tax Identification Numbers and Organizational Numbers, Schedule 8, "Owned Real Property", Schedule 9, "Deposit Accounts and Securities Accounts", Schedule 10, "Controlled Account Banks", and Schedule 11, "List of Uniform Commercial Code Filing Jurisdictions", attached hereto supplement Schedule 1, Schedule 2, Schedule 3, Schedule 4, Schedule 5, Schedule 6, Schedule 7, Schedule 8, Schedule 9, Schedule 10 and Schedule 11 respectively, to the DIP Guaranty and Security Agreement and shall be deemed a part thereof for all purposes of the DIP Guaranty and Security Agreement.

31. Each New Grantor authorizes Agent at any time and from time to time to file, transmit, or communicate, as applicable, financing statements and amendments thereto (i) describing the DIP Collateral as "all personal property of debtor, whether now owned or hereafter acquired or arising" or "all assets of debtor, whether now owned or hereafter acquired or arising" or words of similar effect, (ii) describing the DIP Collateral as being of equal or lesser scope or with greater detail, or (iii) that contain any information required by part 5 of Article 9 of the Code for the sufficiency or filing office acceptance. Each New Grantor also hereby ratifies any and all financing statements or amendments previously filed by Agent in any jurisdiction in connection with the DIP Loan Documents.

32. Each New Grantor represents and warrants to Agent and the Lender Group that this Joinder has been duly executed and delivered by such New Grantor and constitutes its legal, valid, and binding obligation, enforceable against it in accordance with its terms, except as enforceability thereof may be limited by bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium, or other similar laws affecting creditors' rights generally and general principles of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity).

33. This Joinder is a DIP Loan Document. This Joinder may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Joinder. Delivery of an executed counterpart of this Joinder by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Joinder. Any party delivering an executed counterpart of this Joinder by telefacsimile or other electronic method of transmission also shall deliver an original executed counterpart of this Joinder but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Joinder.

34. The DIP Guaranty and Security Agreement, as supplemented hereby, shall remain in full force and effect.

35. THIS JOINDER SHALL BE SUBJECT TO THE PROVISIONS REGARDING CHOICE OF LAW AND VENUE, JURY TRIAL WAIVER, AND JUDICIAL REFERENCE SET FORTH IN SECTION 25 OF THE DIP GUARANTY AND SECURITY AGREEMENT, AND SUCH PROVISIONS ARE INCORPORATED HEREIN BY THIS REFERENCE, *MUTATIS MUTANDIS*.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Joinder to the DIP Guaranty and Security Agreement to be executed and delivered as of the day and year first above written.

NEW GRANTORS: [**NAME OF NEW GRANTOR**]

By:_____
Name: _____
Title: _____

[NAME OF NEW GRANTOR]

By:_____
Name: _____
Title: _____

AGENT: **BARINGS FINANCE LLC**

By:_____
Name: _____
Title: _____

EXHIBIT A

COPYRIGHT SECURITY AGREEMENT

This COPYRIGHT SECURITY AGREEMENT (this "Copyright Security Agreement") is made this ___ day of , 20__, by and among Grantors listed on the signature pages hereof (collectively, jointly and severally, "Grantors" and each individually "Grantor"), and **BARINGS FINANCE LLC**, in its capacity as administrative agent for the Lender Group (in such capacity, together with its successors and permitted assigns in such capacity, "Agent").

W I T N E S S E T H:

WHEREAS, pursuant to that certain DIP Term Loan Credit Agreement dated as of May [_], 2019 (as amended, restated, extended, refinanced, supplemented, or otherwise modified from time to time, the "DIP Term Loan Credit Agreement") by and among **DREAM II HOLDINGS, LLC**, a Delaware limited liability company ("Parent"), **HOLLANDER HOME FASHIONS HOLDINGS, LLC**, a Delaware limited liability company, **HOLLANDER SLEEP PRODUCTS, LLC**, a Delaware limited liability company, each other Affiliate or Subsidiary of Parent from time to time party thereto, the lenders party thereto as "Lenders" (each of such Lenders, together with its successors and permitted assigns, is referred to hereinafter as a "Lender"), and Agent, the Lender Group has agreed to make certain financial accommodations available to Borrower (as defined therein) from time to time pursuant to the terms and conditions thereof; and WHEREAS, the members of the Lender Group are willing to make the financial accommodations to Borrower as provided for in the DIP Term Loan Credit Agreement and the other DIP Loan Documents, but only upon the condition, among others, that Grantors shall have executed and delivered to Agent, for the benefit of the Lender Group, that certain Debtor-In-Possession Term Loan Guaranty and Security Agreement, dated as of May [_], 2019 (including all annexes, exhibits or schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "DIP Guaranty and Security Agreement"); and

WHEREAS, pursuant to the DIP Guaranty and Security Agreement, Grantors are required to execute and deliver to Agent, for the benefit of the Lender Group, this Copyright Security Agreement;

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantors hereby agree as follows:

1. DEFINED TERMS. All initially capitalized terms used herein (including in the preamble and recitals hereof) but not otherwise defined herein shall have the meanings ascribed thereto in the DIP Guaranty and Security Agreement or, if not defined therein, in the DIP Term Loan Credit Agreement, and this Copyright Security Agreement shall be subject to the rules of construction set forth in Sections 1(b) through 1(d) of the DIP Guaranty and Security Agreement, which rules of construction are incorporated herein by this reference, *mutatis mutandis*.

2. GRANT OF SECURITY INTEREST IN COPYRIGHT DIP COLLATERAL. Each Grantor hereby grants and pledges to Agent for the benefit of each member of the Lender Group, to secure the DIP Secured Obligations , a continuing security interest (hereinafter

referred to as the "Security Interest") in all of such Grantor's right, title, and interest in and to the following, whether now owned or hereafter acquired or arising and wherever located (collectively, the "Copyright DIP Collateral"):

(a) any and all rights in any works of authorship, including (whether statutory or common law, whether established or registered in the United States or any other country or any political subdivision thereof, whether registered or unregistered and whether published or unpublished), including (A) copyrights and moral rights, (B) copyright registrations and recordings thereof and all applications in connection therewith including those listed on Schedule I and (C) renewals and extensions thereof; and

(b) all of the proceeds (as such term is defined in the Code) and products, whether tangible or intangible, of any of the foregoing, including proceeds of insurance or Commercial Tort Claims covering or relating to any or all of the foregoing, and any and all Accounts, Books, Chattel Paper, Deposit Accounts, Equipment, Fixtures, General Intangibles, Inventory, Investment Property, Negotiable DIP Collateral, Pledged Interests, Securities Accounts, DIP Supporting Obligations, money, or other tangible or intangible property resulting from the sale, lease, license, exchange, collection, or other disposition of any of the foregoing, the proceeds of any award in condemnation with respect to any of the foregoing, any rebates or refunds, whether for taxes or otherwise, and all proceeds of any such proceeds, or any portion thereof or interest therein, and the proceeds thereof, and all proceeds of any loss of, damage to, or destruction of the above, whether insured or not insured, and, to the extent not otherwise included, any indemnity, warranty, or guaranty payable by reason of loss or damage to, or otherwise with respect to any of the foregoing.

Notwithstanding anything contained in this Copyright Security Agreement to the contrary, the term "Copyright DIP Collateral" and any defined term used therein shall not include, and the Security Interest shall not attach to Excluded DIP Collateral (as defined in the DIP Guaranty and Security Agreement).

3. SECURITY FOR DIP SECURED OBLIGATIONS . This Copyright Security Agreement and the Security Interest created hereby secures the payment and performance of the DIP Secured Obligations , whether now existing or arising hereafter.

4. SECURITY AGREEMENT. The Security Interest granted pursuant to this Copyright Security Agreement is granted in conjunction with the security interests granted to Agent, for the benefit of the Lender Group, pursuant to the DIP Guaranty and Security Agreement. Each Grantor hereby acknowledges and affirms that the rights and remedies of Agent with respect to the Security Interest in the Copyright DIP Collateral made and granted hereby are more fully set forth in the DIP Guaranty and Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. To the extent there is any conflict between this Copyright Security Agreement and the DIP Guaranty and Security Agreement, the DIP Guaranty and Security Agreement shall control.

5. AUTHORIZATION TO SUPPLEMENT. Without limiting Grantors' obligations under this Section, Grantors hereby authorize Agent unilaterally to modify this Copyright Security Agreement by amending Schedule I to include any future registered copyrights or

applications therefor of each Grantor (except for those constituting Excluded DIP Collateral). Notwithstanding the foregoing, no failure to so modify this Copyright Security Agreement or amend Schedule I shall in any way affect, invalidate or detract from Agent's continuing security interest in all DIP Collateral, whether or not listed on Schedule I.

6. COUNTERPARTS. This Copyright Security Agreement is a DIP Loan Document. This Copyright Security Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Copyright Security Agreement. Delivery of an executed counterpart of this Copyright Security Agreement by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Copyright Security Agreement. Any party delivering an executed counterpart of this Copyright Security Agreement by telefacsimile or other electronic method of transmission also shall deliver an original executed counterpart of this Copyright Security Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Copyright Security Agreement.

7. CHOICE OF LAW AND VENUE; JURY TRIAL WAIVER; JUDICIAL REFERENCE PROVISION.

(a) THE VALIDITY OF THIS COPYRIGHT SECURITY AGREEMENT, THE CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT HEREOF, THE RIGHTS OF THE PARTIES HERETO WITH RESPECT TO ALL MATTERS ARISING HEREUNDER OR RELATED HERETO, AND ANY CLAIMS, CONTROVERSIES OR DISPUTES ARISING HEREUNDER OR RELATED HERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

(b) THE PARTIES AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS COPYRIGHT SECURITY AGREEMENT SHALL BE TRIED AND LITIGATED ONLY IN THE STATE COURTS AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, FEDERAL COURTS LOCATED IN THE COUNTY OF NEW YORK, STATE OF NEW YORK; PROVIDED, THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY DIP COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT AGENT'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE AGENT ELECTS TO BRING SUCH ACTION OR WHERE SUCH DIP COLLATERAL OR OTHER PROPERTY MAY BE FOUND. EACH GRANTOR AND AGENT WAIVE, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 25(b).

(c) TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH GRANTOR AND AGENT HEREBY WAIVE THEIR RESPECTIVE RIGHTS, IF ANY, TO A JURY TRIAL OF ANY CLAIM, CONTROVERSY, DISPUTE OR CAUSE OF ACTION DIRECTLY OR INDIRECTLY BASED UPON OR ARISING OUT OF THIS COPYRIGHT

SECURITY AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS (EACH A "CLAIM"). EACH GRANTOR AND AGENT REPRESENT THAT EACH HAS REVIEWED THIS WAIVER AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS COPYRIGHT SECURITY AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

(d) EACH GRANTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS LOCATED IN THE COUNTY OF NEW YORK AND THE STATE OF NEW YORK, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS COPYRIGHT SECURITY AGREEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS COPYRIGHT SECURITY AGREEMENT SHALL AFFECT ANY RIGHT THAT AGENT MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS COPYRIGHT SECURITY AGREEMENT AGAINST ANY GRANTOR OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(e) NO CLAIM MAY BE MADE BY ANY GRANTOR AGAINST THE AGENT OR ANY LENDER, OR ANY AFFILIATE, DIRECTOR, OFFICER, EMPLOYEE, COUNSEL, REPRESENTATIVE, AGENT, OR ATTORNEY-IN-FACT OF ANY OF THEM FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, OR PUNITIVE DAMAGES IN RESPECT OF ANY CLAIM FOR BREACH OF CONTRACT OR ANY OTHER THEORY OF LIABILITY ARISING OUT OF OR RELATED TO THE TRANSACTIONS CONTEMPLATED BY THIS COPYRIGHT SECURITY AGREEMENT, OR ANY ACT, OMISSION, OR EVENT OCCURRING IN CONNECTION HEREWITH, AND EACH GRANTOR HEREBY WAIVES, RELEASES, AND AGREES NOT TO SUE UPON ANY CLAIM FOR SUCH DAMAGES, WHETHER OR NOT ACCRUED AND WHETHER OR NOT KNOWN OR SUSPECTED TO EXIST IN ITS FAVOR.

[signature page follows]

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

GRANTORS: _____

By: _____
Name: _____
Title: _____
Location: _____

_____

By: _____
Name: _____
Title: _____
Location: _____

ACCEPTED AND ACKNOWLEDGED BY:

AGENT: **BARINGS FINANCE LLC**

By: _____
Name:
Title:

Location: _____

SCHEDULE I
to
COPYRIGHT SECURITY AGREEMENT

Copyright Registrations

Grantor	Country	Copyright	Registration No.	Registration Date

EXHIBIT B

PATENT SECURITY AGREEMENT

This PATENT SECURITY AGREEMENT (this "Patent Security Agreement") is made this ___ day of, 20__, by and among the Grantors listed on the signature pages hereof (collectively, jointly and severally, "Grantors" and each individually "Grantor"), and **BARINGS FINANCE LLC**, in its capacity as administrative agent for the Lender Group (in such capacity, together with its successors and permitted assigns in such capacity, "Agent").

W I T N E S S E T H:

WHEREAS, pursuant to that certain DIP Term Loan Credit Agreement dated as of May [_], 2019 (as amended, restated, extended, refinanced, supplemented, or otherwise modified from time to time, the "DIP Term Loan Credit Agreement") by and among **DREAM II HOLDINGS, LLC**, a Delaware limited liability company ("Parent"), **HOLLANDER HOME FASHIONS HOLDINGS, LLC**, a Delaware limited liability company, **HOLLANDER SLEEP PRODUCTS, LLC**, a Delaware limited liability company, each other Affiliate or Subsidiary of Parent from time to time party thereto, the lenders party thereto as "Lenders" (each of such Lenders, together with its successors and permitted assigns, is referred to hereinafter as a "Lender"), and Agent, the Lender Group has agreed to make certain financial accommodations available to Borrower from time to time pursuant to the terms and conditions thereof; and WHEREAS, the members of Lender Group are willing to make the financial accommodations to Borrower as provided for in the DIP Term Loan Credit Agreement and the other DIP Loan Documents, but only upon the condition, among others, that the Grantors shall have executed and delivered to Agent, for the benefit of the Lender Group, that certain Debtor-In-Possession Term Loan Guaranty and Security Agreement, dated as of May [_], 2019 (including all annexes, exhibits or schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "DIP Guaranty and Security Agreement"); and

WHEREAS, pursuant to the DIP Guaranty and Security Agreement, Grantors are required to execute and deliver to Agent, for the benefit of the Lender Group, this Patent Security Agreement;

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor hereby agrees as follows:

1. DEFINED TERMS. All initially capitalized terms used herein (including in the preamble and recitals hereof) but not otherwise defined herein shall have the meanings ascribed thereto in the DIP Guaranty and Security Agreement or, if not defined therein, in the DIP Term Loan Credit Agreement, and this Patent Security Agreement shall be subject to the rules of construction set forth in Sections 1(b) through 1(d) of the DIP Guaranty and Security Agreement, which rules of construction are incorporated herein by this reference, *mutatis mutandis*.

2. GRANT OF SECURITY INTEREST IN PATENT DIP COLLATERAL. Each Grantor hereby grants and pledges to Agent for the benefit of each member of the Lender Group, to secure the DIP Secured Obligations , a continuing security interest (hereinafter referred to as

the "Security Interest") in all of such Grantor's right, title, and interest in and to the following, whether now owned or hereafter acquired or arising and wherever located (collectively, the "Patent DIP Collateral"):

(a) patents and patent applications (whether established or registered or filed in the United States or any other country or any political subdivision thereof), including (A) the patents and patent applications listed on Schedule I, (B) all inventions and improvements described in or claimed therein and (C) all continuations, divisionals, continuations-in-part, re-examinations, and reissues thereof and improvements thereon; and

(b) all of the proceeds (as such term is defined in the Code) and products, whether tangible or intangible, of any of the foregoing, including proceeds of insurance or Commercial Tort Claims covering or relating to any or all of the foregoing, and any and all Accounts, Books, Chattel Paper, Deposit Accounts, Equipment, Fixtures, General Intangibles, Inventory, Investment Property, Negotiable DIP Collateral, Pledged Interests, Securities Accounts, DIP Supporting Obligations, money, or other tangible or intangible property resulting from the sale, lease, license, exchange, collection, or other disposition of any of the foregoing, the proceeds of any award in condemnation with respect to any of the foregoing, any rebates or refunds, whether for taxes or otherwise, and all proceeds of any such proceeds, or any portion thereof or interest therein, and the proceeds thereof, and all proceeds of any loss of, damage to, or destruction of the above, whether insured or not insured, and, to the extent not otherwise included, any indemnity, warranty, or guaranty payable by reason of loss or damage to, or otherwise with respect to any of the foregoing.

Notwithstanding anything contained in this Patent Security Agreement to the contrary, the term "Patent DIP Collateral" and any defined term used therein shall not include, and the Security Interest shall not attach to Excluded DIP Collateral (as defined in the DIP Guaranty and Security Agreement).

3. SECURITY FOR DIP SECURED OBLIGATIONS . This Patent Security Agreement and the Security Interest created hereby secures the payment and performance of the DIP Secured Obligations , whether now existing or arising hereafter.

4. SECURITY AGREEMENT. The Security Interest granted pursuant to this Patent Security Agreement is granted in conjunction with the security interests granted to Agent, for the benefit of the Lender Group, pursuant to the DIP Guaranty and Security Agreement. Grantor hereby acknowledges and affirms that the rights and remedies of Agent with respect to the Security Interest in the Patent DIP Collateral made and granted hereby are more fully set forth in the DIP Guaranty and Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. To the extent there is any conflict between this Patent Security Agreement and the DIP Guaranty and Security Agreement, the DIP Guaranty and Security Agreement shall control.

5. AUTHORIZATION TO SUPPLEMENT. Without limiting Grantors' obligations under this Section, Grantors hereby authorize Agent unilaterally to modify this Patent Security Agreement by amending Schedule I to include any such newly Patents or applications therefor of Grantor (except for those constituting Excluded DIP Collateral). Notwithstanding the foregoing,

no failure to so modify this Patent Security Agreement or amend Schedule I shall in any way affect, invalidate or detract from Agent's continuing security interest in all DIP Collateral, whether or not listed on Schedule I.

6. COUNTERPARTS. This Patent Security Agreement is a DIP Loan Document. This Patent Security Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Patent Security Agreement. Delivery of an executed counterpart of this Patent Security Agreement by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Patent Security Agreement. Any party delivering an executed counterpart of this Patent Security Agreement by telefacsimile or other electronic method of transmission also shall deliver an original executed counterpart of this Patent Security Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Patent Security Agreement.

7. CHOICE OF LAW AND VENUE; JURY TRIAL WAIVER; JUDICIAL REFERENCE PROVISION.

(a) THE VALIDITY OF THIS PATENT SECURITY AGREEMENT, THE CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT HEREOF, THE RIGHTS OF THE PARTIES HERETO WITH RESPECT TO ALL MATTERS ARISING HEREUNDER OR RELATED HERETO, AND ANY CLAIMS, CONTROVERSIES OR DISPUTES ARISING HEREUNDER OR RELATED HERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

(b) THE PARTIES AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS PATENT SECURITY AGREEMENT SHALL BE TRIED AND LITIGATED ONLY IN THE STATE COURTS AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, FEDERAL COURTS LOCATED IN THE COUNTY OF NEW YORK, STATE OF NEW YORK; PROVIDED, THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY DIP COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT AGENT'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE AGENT ELECTS TO BRING SUCH ACTION OR WHERE SUCH DIP COLLATERAL OR OTHER PROPERTY MAY BE FOUND. EACH GRANTOR AND AGENT WAIVE, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 25(b).

(c) TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH GRANTOR AND AGENT HEREBY WAIVE THEIR RESPECTIVE RIGHTS, IF ANY, TO A JURY TRIAL OF ANY CLAIM, CONTROVERSY, DISPUTE OR CAUSE OF ACTION DIRECTLY OR INDIRECTLY BASED UPON OR ARISING OUT OF THIS PATENT SECURITY AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY

CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS (EACH A "CLAIM"). EACH GRANTOR AND AGENT REPRESENT THAT EACH HAS REVIEWED THIS WAIVER AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS PATENT SECURITY AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

(d) EACH GRANTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS LOCATED IN THE COUNTY OF NEW YORK AND THE STATE OF NEW YORK, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS PATENT SECURITY AGREEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS PATENT SECURITY AGREEMENT SHALL AFFECT ANY RIGHT THAT AGENT MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS PATENT SECURITY AGREEMENT AGAINST ANY GRANTOR OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(e) NO CLAIM MAY BE MADE BY ANY GRANTOR AGAINST THE AGENT OR ANY LENDER, OR ANY AFFILIATE, DIRECTOR, OFFICER, EMPLOYEE, COUNSEL, REPRESENTATIVE, AGENT, OR ATTORNEY-IN-FACT OF ANY OF THEM FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, OR PUNITIVE DAMAGES IN RESPECT OF ANY CLAIM FOR BREACH OF CONTRACT OR ANY OTHER THEORY OF LIABILITY ARISING OUT OF OR RELATED TO THE TRANSACTIONS CONTEMPLATED BY THIS PATENT SECURITY AGREEMENT, OR ANY ACT, OMISSION, OR EVENT OCCURRING IN CONNECTION HEREWITH, AND EACH GRANTOR HEREBY WAIVES, RELEASES, AND AGREES NOT TO SUE UPON ANY CLAIM FOR SUCH DAMAGES, WHETHER OR NOT ACCRUED AND WHETHER OR NOT KNOWN OR SUSPECTED TO EXIST IN ITS FAVOR.

[signature page follows]

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

GRANTORS: _____

By: _____
Name: _____
Title: _____
Location: _____

_____

By: _____
Name: _____
Title: _____
Location: _____

ACCEPTED AND ACKNOWLEDGED BY:

AGENT: **BARINGS FINANCE LLC**

By: _____
Name:
Title:

Location: _____

SCHEDULE I
to
PATENT SECURITY AGREEMENT

Patents

Grantor	Country	Patent	Application/ Patent No.	Filing Date/Issue Date

EXHIBIT C

PLEDGED INTERESTS ADDENDUM

This Pledged Interests Addendum, dated as of __, 20___ (this "Pledged Interests Addendum"), is delivered pursuant to Section 7 of the DIP Guaranty and Security Agreement referred to below. The undersigned hereby agrees that this Pledged Interests Addendum may be attached to that certain Debtor-In-Possession Term Loan Guaranty and Security Agreement, dated as of May [_], 2019 (as amended, restated, supplemented, or otherwise modified from time to time, the "DIP Guaranty and Security Agreement"), made by the undersigned, together with the other Grantors named therein, to **BARINGS FINANCE LLC**, as Agent. Initially capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the DIP Guaranty and Security Agreement or, if not defined therein, in the DIP Term Loan Credit Agreement, and this Pledged Interests Addendum shall be subject to the rules of construction set forth in Sections 1(b) through 1(d) of the DIP Guaranty and Security Agreement, which rules of construction are incorporated herein by this reference, *mutatis mutandis*. The undersigned hereby agrees that the additional interests listed on Schedule I shall be and become part of the Pledged Interests pledged by the undersigned to Agent in the DIP Guaranty and Security Agreement and any pledged company set forth on Schedule I shall be and become a "Pledged Company" under the DIP Guaranty and Security Agreement, each with the same force and effect as if originally named therein.

This Pledged interests Addendum is a DIP Loan Document. Delivery of an executed counterpart of this Pledged Interests Addendum by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Pledged Interests Addendum. If the undersigned delivers an executed counterpart of this Pledged Interests Addendum by telefacsimile or other electronic method of transmission, the undersigned shall also deliver an original executed counterpart of this Pledged Interests Addendum but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Pledged Interests Addendum.

The undersigned hereby certifies that the representations and warranties set forth in Section 6 of the DIP Guaranty and Security Agreement of the undersigned are true and correct as to the Pledged Interests listed herein on and as of the date hereof.

THIS PLEDGED INTERESTS ADDENDUM SHALL BE SUBJECT TO THE PROVISIONS REGARDING CHOICE OF LAW AND VENUE, JURY TRIAL WAIVER, AND JUDICIAL REFERENCE SET FORTH IN SECTION 25 OF THE DIP GUARANTY AND SECURITY AGREEMENT, AND SUCH PROVISIONS ARE INCORPORATED HEREIN BY THIS REFERENCE, *MUTATIS MUTANDIS*.

[signature page follows]

IN WITNESS WHEREOF, the undersigned has caused this Pledged Interests Addendum to be executed and delivered as of the day and year first above written.

_____

By:_____
Name:
Title:

SCHEDULE I
to
PLEDGED INTERESTS ADDENDUM

Pledged Interests

Name of Grantor	Name of Pledged Company	Number of Shares/Units	Class of Interests	Percentage of Class Owned	Certificate Nos.

EXHIBIT D

TRADEMARK SECURITY AGREEMENT

This TRADEMARK SECURITY AGREEMENT (this "Trademark Security Agreement") is made this ___ day of , 20__, by and among Grantors listed on the signature pages hereof (collectively, jointly and severally, "Grantors" and each individually "Grantor"), and **BARINGS FINANCE LLC**, in its capacity as administrative agent for the Lender Group (in such capacity, together with its successors and permitted assigns in such capacity, "Agent").

W I T N E S S E T H:

WHEREAS, pursuant to that certain DIP Term Loan Credit Agreement dated as of May [_], 2019 (as amended, restated, extended, refinanced, supplemented, or otherwise modified from time to time, the "DIP Term Loan Credit Agreement") by and among **DREAM II HOLDINGS, LLC**, a Delaware limited liability company ("Parent"), **HOLLANDER HOME FASHIONS HOLDINGS, LLC**, a Delaware limited liability company, **HOLLANDER SLEEP PRODUCTS, LLC**, a Delaware limited liability company, each other Affiliate or Subsidiary of Parent from time to time party thereto, the lenders party thereto as "Lenders" (each of such Lenders, together with its successors and permitted assigns, is referred to hereinafter as a "Lender"), and Agent, the Lender Group has agreed to make certain financial accommodations available to Borrower from time to time pursuant to the terms and conditions thereof; and WHEREAS, the members of the Lender Group are willing to make the financial accommodations to Borrower as provided for in the DIP Term Loan Credit Agreement and the other DIP Loan Documents, but only upon the condition, among others, that Grantors shall have executed and delivered to Agent, for the benefit of Lender Group, that certain Debtor-In-Possession Term Loan Guaranty and Security Agreement, dated as of May [_], 2019 (including all annexes, exhibits or schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "DIP Guaranty and Security Agreement"); and

WHEREAS, pursuant to the DIP Guaranty and Security Agreement, Grantors are required to execute and deliver to Agent, for the benefit of Lender Group, this Trademark Security Agreement;

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor hereby agrees as follows:

1. DEFINED TERMS. All initially capitalized terms used herein (including in the preamble and recitals hereof) but not otherwise defined herein shall have the meanings ascribed thereto in the DIP Guaranty and Security Agreement or, if not defined therein, in the DIP Term Loan Credit Agreement, and this Trademark Security Agreement shall be subject to the rules of construction set forth in Sections 1(b) through 1(d) of the DIP Guaranty and Security Agreement, which rules of construction are incorporated herein by this reference, *mutatis mutandis*.

2. GRANT OF SECURITY INTEREST IN TRADEMARK DIP COLLATERAL. Each Grantor hereby grants and pledges to Agent for the benefit of each member of the Lender Group, to secure the DIP Secured Obligations , a continuing security interest (hereinafter

referred to as the "Security Interest") in all of such Grantor's right, title, and interest in and to the following, whether now owned or hereafter acquired or arising and wherever located (collectively, the "Trademark DIP Collateral"):

(a) any and all trademarks, trade names, trade dress, registered trademarks, trademark applications, service marks, registered service marks and service mark applications (whether statutory or common law and whether established or registered in the Unites States or any other country or any political subdivision thereof), including (A) the trade names, registered trademarks, trademark applications, registered service marks and service mark applications listed on Schedule I, (B) goodwill of the business symbolized thereby or connected with the use thereof and (C) all renewals thereof; and

(b) all of the proceeds (as such term is defined in the Code) and products, whether tangible or intangible, of any of the foregoing, including proceeds of insurance or Commercial Tort Claims covering or relating to any or all of the foregoing, and any and all Accounts, Books, Chattel Paper, Deposit Accounts, Equipment, Fixtures, General Intangibles, Inventory, Investment Property, Negotiable DIP Collateral, Pledged Interests, Securities Accounts, DIP Supporting Obligations, money, or other tangible or intangible property resulting from the sale, lease, license, exchange, collection, or other disposition of any of the foregoing, the proceeds of any award in condemnation with respect to any of the foregoing, any rebates or refunds, whether for taxes or otherwise, and all proceeds of any such proceeds, or any portion thereof or interest therein, and the proceeds thereof, and all proceeds of any loss of, damage to, or destruction of the above, whether insured or not insured, and, to the extent not otherwise included, any indemnity, warranty, or guaranty payable by reason of loss or damage to, or otherwise with respect to any of the foregoing.

Notwithstanding anything contained in this Trademark Security Agreement to the contrary, the term "Trademark DIP Collateral" and any defined term used therein shall not include, and the Security Interest shall not attach to Excluded DIP Collateral (as defined in the DIP Guaranty and Security Agreement), including the following: any United States intent-to-use trademark applications for which an amendment to allege use or a statement of use has not been filed and accepted by the PTO, to the extent that, and solely during the period in which, the grant, attachment or perfection of a security interest therein would impair the validity or enforceability of such intent-to-use trademark applications or the resulting trademark registration under applicable federal law, provided that upon submission and acceptance by the PTO of an amendment to allege use or a statement of use pursuant to 15 U.S.C. Section 1051(c) or (d) (or any successor provision), such intent-to-use trademark application shall be considered DIP Collateral.

3. SECURITY FOR DIP SECURED OBLIGATIONS . This Trademark Security Agreement and the Security Interest created hereby secures the payment and performance of the DIP Secured Obligations , whether now existing or arising hereafter.

4. SECURITY AGREEMENT. The Security Interest granted pursuant to this Trademark Security Agreement is granted in conjunction with the security interests granted to Agent, for the benefit of the Lender Group, pursuant to the DIP Guaranty and Security Agreement.

Each Grantor hereby acknowledges and affirms that the rights and remedies of Agent with respect to the Security Interest in the Trademark DIP Collateral made and granted hereby are more fully set forth in the DIP Guaranty and Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. To the extent there is any conflict between this Trademark Security Agreement and the DIP Guaranty and Security Agreement, the DIP Guaranty and Security Agreement shall control.

5. AUTHORIZATION TO SUPPLEMENT. Without limiting Grantors' obligations under this Section, Grantors hereby authorize Agent unilaterally to modify this Trademark Security Agreement by amending Schedule I to include any new registered Trademarks or application thereof of each Grantor (except for those constituting Excluded DIP Collateral). Notwithstanding the foregoing, no failure to so modify this Trademark Security Agreement or amend Schedule I shall in any way affect, invalidate or detract from Agent's continuing security interest in all DIP Collateral, whether or not listed on Schedule I.

6. COUNTERPARTS. This Trademark Security Agreement is a DIP Loan Document. This Trademark Security Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Trademark Security Agreement. Delivery of an executed counterpart of this Trademark Security Agreement by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Trademark Security Agreement. Any party delivering an executed counterpart of this Trademark Security Agreement by telefacsimile or other electronic method of transmission also shall deliver an original executed counterpart of this Trademark Security Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Trademark Security Agreement.

7. CHOICE OF LAW AND VENUE; JURY TRIAL WAIVER; JUDICIAL REFERENCE PROVISION.

(a) THE VALIDITY OF THIS TRADEMARK SECURITY AGREEMENT, THE CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT HEREOF, THE RIGHTS OF THE PARTIES HERETO WITH RESPECT TO ALL MATTERS ARISING HEREUNDER OR RELATED HERETO, AND ANY CLAIMS, CONTROVERSIES OR DISPUTES ARISING HEREUNDER OR RELATED HERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

(b) THE PARTIES AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS TRADEMARK SECURITY AGREEMENT SHALL BE TRIED AND LITIGATED ONLY IN THE STATE COURTS AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, FEDERAL COURTS LOCATED IN THE COUNTY OF NEW YORK, STATE OF NEW YORK; PROVIDED, THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY DIP COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT AGENT'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE AGENT ELECTS TO BRING SUCH ACTION OR WHERE SUCH DIP

COLLATERAL OR OTHER PROPERTY MAY BE FOUND. EACH GRANTOR AND AGENT WAIVE, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 25(b).

(c) TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH GRANTOR AND AGENT HEREBY WAIVE THEIR RESPECTIVE RIGHTS, IF ANY, TO A JURY TRIAL OF ANY CLAIM, CONTROVERSY, DISPUTE OR CAUSE OF ACTION DIRECTLY OR INDIRECTLY BASED UPON OR ARISING OUT OF THIS TRADEMARK SECURITY AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS (EACH A "CLAIM"). EACH GRANTOR AND AGENT REPRESENT THAT EACH HAS REVIEWED THIS WAIVER AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS TRADEMARK SECURITY AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

(d) EACH GRANTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS LOCATED IN THE COUNTY OF NEW YORK AND THE STATE OF NEW YORK, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS TRADEMARK SECURITY AGREEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS TRADEMARK SECURITY AGREEMENT SHALL AFFECT ANY RIGHT THAT AGENT MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS TRADEMARK SECURITY AGREEMENT AGAINST ANY GRANTOR OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(e) NO CLAIM MAY BE MADE BY ANY GRANTOR AGAINST THE AGENT OR ANY LENDER, OR ANY AFFILIATE, DIRECTOR, OFFICER, EMPLOYEE, COUNSEL, REPRESENTATIVE, AGENT, OR ATTORNEY-IN-FACT OF ANY OF THEM FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, OR PUNITIVE DAMAGES IN RESPECT OF ANY CLAIM FOR BREACH OF CONTRACT OR ANY OTHER THEORY OF LIABILITY ARISING OUT OF OR RELATED TO THE TRANSACTIONS CONTEMPLATED BY THIS TRADEMARK SECURITY AGREEMENT, OR ANY ACT, OMISSION, OR EVENT OCCURRING IN CONNECTION HEREWITH, AND EACH GRANTOR HEREBY WAIVES, RELEASES, AND AGREES NOT TO SUE UPON ANY CLAIM FOR SUCH DAMAGES, WHETHER OR NOT ACCRUED AND WHETHER OR NOT KNOWN OR SUSPECTED TO EXIST IN ITS FAVOR.

[signature page follows]

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

GRANTORS: _____

By: _____
Name: _____
Title: _____
Location: _____

_____

By: _____
Name: _____
Title: _____
Location: _____

ACCEPTED AND ACKNOWLEDGED BY:

AGENT: **BARINGS FINANCE LLC**

By: _____
Name:
Title:

Location: _____

SCHEDULE I
to
TRADEMARK SECURITY AGREEMENT

Trademark Registrations/Applications

Grantor	Country	Mark	Application/ Registration No.	App/Reg Date

SCHEDULE 1

COMMERCIAL TORT CLAIMS

None.

SCHEDULE 2

REGISTERED OR APPLIED-FOR COPYRIGHTS

UNITED STATES COPYRIGHT REGISTRATIONS AND APPLICATIONS:

Title	Registration No.	Current Record Owner
Hollander Sleep Products, LLC	VA0001276670	Double support (feather & down fill)
Hollander Sleep Products, LLC	VA0001256354	Basics Double Support : down alternative fill

SCHEDULE 3

MATERIAL INTELLECTUAL PROPERTY LICENSES

1. License Agreement, dated as of August 20, 2008, by and between Croscill, Inc. and Louisville Bedding Company, as amended;

2. Trademark License Agreement, dated as of May 24, 2013, by and between Dreamwell, Ltd. and Hollander Home Fashions, LLC (now known as Hollander Sleep Products, LLC);

3. License Agreement, dated as of January 1, 2006, by and between Nautica Apparel, Inc. and Louisville Bedding Company, as amended;

4. License Agreement, dated as of May 1, 2012 (renewed as of May 1, 2019), by and among PRL USA, Inc., The Polo/Lauren Company, L.P., Ralph Lauren Home Collection, Inc., Hollander Sleep Products, LLC, Hollander Sleep Products Canada Limited, Hollander Sleep Products Quebec Inc. and Hollander Sleep Products Montreal, Inc.;

5. Trademark License Agreement, dated May 24, 2013, by and between Simmons Canada Inc. and Hollander Home Fashions, LLC (now known as Hollander Sleep Products, LLC);

6. Intellectual Property License Agreement, dated December 1, 2011, by and among Ther-A-Pedic Associates, Inc., Hollander Home Fashions, LLC (now known as Hollander Sleep Products, LLC), and Hollander Canada Home Fashions, Ltd.;

7. Letter Agreement, dated as of November 6, 2009, by and among The Versailles Foundation, Inc., Hollander Home Fashions, LLC (now known as Hollander Sleep Products, LLC) and Hollander Canada Home Fashions Ltd.;

8. License Agreement, dated as of September 30, 2010, by and among Icon De Holdings LLC (by assignment from Studio IP Holdings LLC), Hollander Home Fashions, LLC (now known as Hollander Sleep Products, LLC), and Hollander Canada Home Fashions Limited, as amended;

9. Joint Seal Licensing Agreement, dated as of July 1, 2006, by and among Hollander Home Fashions, LLC (now known as Hollander Sleep Products, LLC), Hollander Canada Home Fashions Ltd., the Asthma and Allergy Foundation of America and Allergy Standards Ltd., as amended;

10. Documents related to the use of the Supima® trademark.

11. Exclusive Selling and Commission Agreement: ComfortMax, dated February 15, 2017, between Pacific Coast Feather Company and Hop Lion.

12. Avendra Supplier Agreement, dated February 1, 2010, between Pacific Coast Feather Company and Avendra, as amended.

13. The SAP License Agreement, undated, between Pacific Coast Feather Company and Kamyk Daunen s.r.o.

14. R/3 Software Individual End-User License Agreement, dated March 8, 1995, between Pacific Coast Feather Company and SAP America, as supplemented and amended from time to time.

15. Master Services Agreement, dated April 26, 2016, between Pacific Coast Feather Company and Rimini Street, Inc., with the statements of word and schedules thereto, as amended from time to time.

16. Supply and License Agreement, dated September 2, 2015 between Pacific Coast Feather Company and Cocona Inc.

17. Endorsement Agreement by and between Pacific Coast Feather Company (as successor-in-interest to the rights of United Feather & Down, Inc.) and James B. Maas, dated as of December 7, 2010, as amended effective December 31, 2015.

18. Trademark License Agreement by and between Pacific Coast Feather Company and Elie Tahari Ltd., dated March 13, 2014.

19. Trademark License Agreement by and between Pacific Coast Feather Company and SHEEX, Inc., dated as of April 22, 2016.

20. Spring Air International LLC License Agreement by and between Spring Air International LLC, Spring Air IP Holdings, LLC, and Pacific Coast Feather Company, dated July 28, 2013.

21. Sublicense Agreement, by and between Crown Crafts Designer, Inc., and Pacific Coast Feather Company, dated November 1, 1999, as amended by Amendment to the Sublicense Agreement by and between Pacific Coast Feather Company and Calvin Klein, Inc., effective October 1, 2001, and as further amended from time to time.

22. Trademark License Agreement by and between Pacific Coast Feather Company and Kamyk Daunen s.r.o., dated August 11, 2016, grants Pacific Coast Feather Company an exclusive license to use the trademark “CANNSTATTER” (Canada filing number: TMA881243) in Canada.

23. Trademark License Agreement by and between Pacific Coast Feather Company and Kamyk Daunen s.r.o., dated August 11, 2016, grants Pacific Coast Feather Company an exclusive license to use the trademark “CANNSTATTER” (U.S. filing number: 4218093) in the U.S.

24. Master Purchase Agreement (Domestic Vendors), dated February 25, 2015, between Pacific Coast Feather Company and Williams-Sonoma, Inc.

25. J.C. Penney Corporation, Inc. Trading Partner Agreement for U.S. Merchandise Vendors.

26. Manufacturing and Supply Agreement, effective July 1, 2015, by and between Best Western International, Inc. and Pacific Coast Feather Company.

27. Master Goods Agreement by and between Pacific Coast Feather Company and Six Continents Hotels, Inc., dated June 30, 2016.

SCHEDULE 4

ISSUED PATENTS AND PATENT APPLICATIONS

UNITED STATES PATENT REGISTRATIONS AND APPLICATIONS:

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
Adjustable Pillow	Pending	62818877	3/15/2019			Hollander Sleep Products, LLC	United States of America
Adjustable Pillow	Pending	16374051	4/3/2019			Hollander Sleep Products, LLC	United States of America
Baffle Box Comforter	Pending	15229760	8/5/2016			Hollander Sleep Products, LLC	United States of America
Baffle Box Comforter	Registered	12553885	9/3/2009	8,561,229	10/22/2013	Hollander Sleep Products, LLC	United States of America
Baffle Box Pillow	Registered	12694194	1/26/2010	8,028,360	10/4/2011	Hollander Sleep Products, LLC	United States of America
Bedding Article With Overlaying Portions	Registered	11192602	7/29/2005	7,080,421	7/25/2006	Hollander Sleep Products, LLC	United States of America
Comforter With Fitted Border	Registered	13442608	4/9/2012	9,451,839	9/27/2016	Hollander Sleep Products, LLC	United States of America
Contour Pillow With Interior Baffle Walls	Registered	10935261	9/7/2004	7,210,178	5/1/2007	Hollander Sleep Products, LLC	United States of America
Domed Comforter	Registered	11673165	2/9/2007	7,647,657	1/19/2010	Hollander Sleep Products, LLC	United States of America
Featherbed With Hourglass Construction	Registered	11567575	12/6/2006	7,681,268	3/23/2010	Hollander Sleep Products, LLC	United States of America
Filled Bedding Construction Having Channels With Alternating Length Portions	Registered	10808637	3/25/2004	6,961,970	11/8/2005	Hollander Sleep Products, LLC	United States of America
Filling Material And Process For Making Same	Registered	10759610	1/16/2004	7,074,242	7/11/2006	Hollander Sleep Products, LLC	United States of America
Gusseted Pillow With Pleated Top And Bottom Sections	Registered	10402605	3/28/2003	6,760,935	7/13/2004	Hollander Sleep Products, LLC	United States of America
High Loft Comforter	Registered	9474878	12/29/1999	6,301,730	10/16/2001	Hollander Sleep Products, LLC	United States of America
Multi-layer Multi-chamber Pillow With Unfilled Center Chamber In The Top Layer	Registered	11192605	7/29/2005	7,152,263	12/26/2006	Hollander Sleep Products, LLC	United States of America

No Shift Chambered Body Pillow	Registered	12112426	4/30/2008	7,669,266	3/2/2010	Hollander Sleep Products, LLC	United States of America
Pillow	Registered	29577568	9/14/2016	D839,636	2/5/2019	Hollander Sleep Products, LLC	United States of America
Pillow	Pending	29675102	12/28/2018			Hollander Sleep Products, LLC	United States of America
Pillow	Registered	29444405	1/30/2013	D706,553	6/10/2014	Hollander Sleep Products, LLC	United States of America
Pillow Covering	Registered	29200339	2/26/2004	D507,920	8/2/2005	Hollander Sleep Products, LLC	United States of America
Pillow Kit With Removable Interior Cores	Registered	10810150	3/26/2004	7,222,379	5/29/2007	Hollander Sleep Products, LLC	United States of America
Pillow With Baffles Within An Outer Pillow Shell	Registered	11671874	2/6/2007	7,562,405	7/21/2009	Hollander Sleep Products, LLC	United States of America
Pillow With Central Area Having Lower Fill Volume	Registered	10685884	10/14/2003	6,931,682	8/23/2005	Hollander Sleep Products, LLC	United States of America
Tubule Featherbed	Registered	11618476	12/29/2006	7,356,864	4/15/2008	Hollander Sleep Products, LLC	United States of America
Universal Support Pillow	Registered	12419591	4/7/2009	7,874,033	1/25/2011	Hollander Sleep Products, LLC	United States of America
Non-gusset Pillow	Registered	14666047	3/23/2015	9,980,587	5/29/2018	Hollander Sleep Products, LLC	United States of America
Pillow Cover With Closure And Pouch Member Therefor	Registered	10359865	2/7/2003	6,910,237	6/28/2005	Hollander Sleep Products, LLC	United States of America
Quilted-top Featherbed	Registered	9474339	12/29/1999	6,745,419	6/8/2004	Hollander Sleep Products, LLC	United States of America
Blended Fiber Containing Silver, Blended Filling Containing Silver Fibers, And Method For Making Same	Registered	12022435	1/30/2008	7,814,623	10/19/2010	Hollander Sleep Products, LLC	United States of America
Baffle Box Comforter Structure Designed To Resist Shifting Of Fill	Registered	13887203	5/3/2013	8,776,288	7/15/2014	Hollander Sleep Products, LLC	United States of America

CANADIAN PATENT REGISTRATIONS AND APPLICATIONS:

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
Baffle Box Comforter	Registered	2940071	8/24/2016	2940071	12/4/2018	Hollander Sleep Products, LLC	Canada
Domed Comforter	Registered	2620502	2/8/2008	2620502	9/13/2011	Hollander Sleep Products, LLC	Canada
High Loft Comforter	Registered	2329698	12/28/2000	2329698	7/7/2009	Hollander Sleep Products, LLC	Canada
Pillow	Registered	149537	1/30/2013	149537	3/31/2014	Hollander Sleep Products, LLC	Canada
Pillow	Registered	175209	11/24/2016	175209	7/12/2017	Hollander Sleep Products, LLC	Canada
Pillow	Registered	175210	11/24/2016	175210	7/12/2017	Hollander Sleep Products, LLC	Canada
Pillow	Registered	171783	11/24/2016	171783	7/12/2017	Hollander Sleep Products, LLC	Canada
Pillow With Baffles Within An Outer Pillow Shell	Registered	2619522	2/6/2008	2619522	11/3/2015	Hollander Sleep Products, LLC	Canada
Quilted-top Featherbed	Registered	2329699	12/28/2000	2329699	8/29/2006	Hollander Sleep Products, LLC	Canada

SCHEDULE 5

PLEDGED COMPANIES

Name of Grantor	Name of Pledged Company	Number of Shares/Units	Class of Interests	Represents Percentage of Class Owned	Percentage of Class Pledged	Certificate Nos.
Dream II Holdings, LLC	Hollander Home Fashions Holdings, LLC	1,358,214 common units	Membership interests	100%	100%	N/A
Dream II Holdings, LLC	Hollander Sleep Products Canada Limited	0.65 common share	Common shares	65%	65%	C-1
Hollander Home Fashions Holdings, LLC	Hollander Sleep Products, LLC	1,000 units	Membership interests	100%	100%	N/A
Hollander Sleep Products, LLC	Hollander Sleep Products Kentucky, LLC	1,000 units	Membership interests	100%	100%	N/A
Hollander Sleep Products, LLC	Hollander Home Fashions Trading (Shanghai) Co., Ltd.	N/A	Membership interests	100%	65%	N/A
Hollander Sleep Products, LLC	Pacific Coast Feather, LLC	1,000	Common Units	100%	100%	N/A
Pacific Coast Feather, LLC	Pacific Coast Feather Cushion, LLC	1,000	Common Units	100%	100%	N/A
Pacific Coast Feather, LLC	PCF (Shanghai) Quality Management Consulting Co., Ltd.	1	Equity interest	100%	65%	N/A

SCHEDULE 6

REGISTERED OR APPLIED-FOR TRADEMARKS

UNITED STATES TRADEMARK REGISTRATIONS AND APPLICATIONS:

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
...THE ULTIMATE LUXURY (DESIGN)	Registered	85430242	9/23/2011	4,433,031	11/12/2013	Hollander Sleep Products, LLC	United States of America
A WORLD OF COMFORT	Registered	86799377	10/26/2015	4,988,090	6/28/2016	Hollander Sleep Products, LLC	United States of America
ABUNDANCE	Registered	86174993	1/24/2014	4,856,184	11/17/2015	Hollander Sleep Products, LLC	United States of America
ABUNDANCE	Registered	86206712	2/27/2014	4,856,226	11/17/2015	Hollander Sleep Products, LLC	United States of America
AFFIRM	Registered	85032141	5/6/2010	3,999,384	7/19/2011	Hollander Sleep Products, LLC	United States of America
ALLERREST	Registered	86269248	5/1/2014	4,625,073	10/21/2014	Hollander Sleep Products, LLC	United States of America
ALLER-SURE	Registered	77672914	2/18/2009	4,026,525	9/13/2011	Hollander Sleep Products, LLC	United States of America
ALLERX	Registered	78260439	6/10/2003	3,298,680	9/25/2007	Hollander Sleep Products, LLC	United States of America
ALLUNA	Registered	86464313	11/25/2014	4,842,758	10/27/2015	Hollander Sleep Products, LLC	United States of America
ARCTIC FRESH	Registered	86202314	2/24/2014	4,782,838	7/28/2015	Hollander Sleep Products, LLC	United States of America
BARRIER WEAVE	Registered	85085541	7/15/2010	3,923,124	2/22/2011	Hollander Sleep Products, LLC	United States of America
BED ARMOR	Registered	85364720	7/6/2011	4,114,357	3/20/2012	Hollander Sleep Products, LLC	United States of America

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
BED GLOVE	Registered	74426312	8/17/1993	1,870,583	12/27/1994	Hollander Sleep Products, LLC	United States of America
BED SAVER	Registered	76035627	4/28/2000	2,551,016	3/19/2002	Hollander Sleep Products, LLC	United States of America
BEYOND COMFORT	Registered	74577708	9/23/1994	2,014,240	11/5/1996	Hollander Sleep Products, LLC	United States of America
BIG COMFY	Registered	77868219	11/9/2009	3,927,089	3/1/2011	Hollander Sleep Products, LLC	United States of America
BIG COZY	Registered	77856380	10/23/2009	3,901,745	1/4/2011	Hollander Sleep Products, LLC	United States of America
BIG COZY	Registered	77869628	11/10/2009	4,094,155	1/31/2012	Hollander Sleep Products, LLC	United States of America
BIG SHOT	Registered	76298016	8/13/2001	2,687,366	2/11/2003	Hollander Sleep Products, LLC	United States of America
BIG Z	Registered	75458046	5/27/1998	2,270,499	8/17/1999	Hollander Sleep Products, LLC	United States of America
BOOMERANG	Registered	75728906	6/15/1999	2,613,680	9/3/2002	Hollander Sleep Products, LLC	United States of America
BOTANICAL DOWN	Registered	77789088	7/24/2009	3,846,731	9/7/2010	Hollander Sleep Products, LLC	United States of America
Brain Logo	Registered	87203456	10/14/2016	5,590,859	10/23/2018	Hollander Sleep Products, LLC	United States of America
BREATHE WELL	Registered	75474996	4/27/1998	2,492,969	9/25/2001	Hollander Sleep Products, LLC	United States of America
BREATHE-COOL	Registered	86241474	4/3/2014	4,960,744	5/17/2016	Hollander Sleep Products, LLC	United States of America
BREATHEMESH	Registered	86432141	10/23/2014	4,755,370	6/16/2015	Hollander Sleep Products, LLC	United States of America
BREATHEWELL	Registered	87525646	7/12/2017	5,587,384	10/16/2018	Hollander Sleep Products, LLC	United States of America

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
BREATHEWELL	Registered	86420197	10/10/2014	5,492,445	6/12/2018	Hollander Sleep Products, LLC	United States of America
BREATHEWELL PILLOW	Registered	86443928	11/4/2014	4,999,040	7/12/2016	Hollander Sleep Products, LLC	United States of America
CAPTURE TOP	Registered	77675946	2/23/2009	3,679,383	9/8/2009	Hollander Sleep Products, LLC	United States of America
CHILDREN'S BEDTIME PILLOW	Registered	75455371	3/23/1998	2,262,691	7/20/1999	Hollander Sleep Products, LLC	United States of America
CLEARFRESH	Registered	86258997	4/22/2014	4,652,260	12/9/2014	Hollander Sleep Products, LLC	United States of America
CLEARFRESH	Registered	86440768	10/31/2014	4,919,075	3/15/2016	Hollander Sleep Products, LLC	United States of America
CLUSTER PUFF	Registered	78238380	4/16/2003	2,899,498	11/2/2004	Hollander Sleep Products, LLC	United States of America
COMFORT CENTRAL	Registered	74481802	1/24/1994	1,882,267	3/7/1995	Hollander Sleep Products, LLC	United States of America
COMFORT CHAMBER	Registered	76352308	12/26/2001	2,792,349	12/9/2003	Hollander Sleep Products, LLC	United States of America
COMFORT LOCK	Registered	74483254	1/27/1994	1,998,955	9/10/1996	Hollander Sleep Products, LLC	United States of America
COMFORT-FORME	Registered	87357944	3/3/2017	5,449,759	4/17/2018	Hollander Sleep Products, LLC	United States of America
CONFORMANCE	Registered	85776213	11/9/2012	4,589,386	8/19/2014	Hollander Sleep Products, LLC	United States of America
CORE SLEEP	Registered	85365760	7/7/2011	4,222,894	10/9/2012	Hollander Sleep Products, LLC	United States of America
COVER PLUS	Registered	85729756	9/14/2012	4,572,981	7/22/2014	Hollander Sleep Products, LLC	United States of America
CROWN OF DOWN	Registered	74437383	9/20/1993	1,946,007	1/2/1996	Hollander Sleep Products, LLC	United States of America

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CRYSTALLINE	Registered	86194194	2/14/2014	4,694,537	3/3/2015	Hollander Sleep Products, LLC	United States of America
CUDDLE ROLL	Registered	75778188	8/17/1999	2,375,118	8/8/2000	Hollander Sleep Products, LLC	United States of America
CUDDLEBED	Registered	85219868	1/18/2011	4,052,079	11/8/2011	Hollander Sleep Products, LLC	United States of America
CUDDLEBED	Registered	77939688	2/19/2010	4,455,249	12/24/2013	Hollander Sleep Products, LLC	United States of America
CUDDLEFOAM	Registered	86567779	3/18/2015	4,974,488	6/7/2016	Hollander Sleep Products, LLC	United States of America
CUDDLELOFT	Registered	85307476	4/28/2011	4,425,944	10/29/2013	Hollander Sleep Products, LLC	United States of America
CURVATION	Registered	77084983	1/17/2007	3,841,863	8/31/2010	Hollander Sleep Products, LLC	United States of America
DOUBLE STUFF	Registered	85780553	11/15/2012	4,576,625	7/29/2014	Hollander Sleep Products, LLC	United States of America
DOUBLE SUPPORT	Registered	86120315	11/15/2013	4,822,764	9/29/2015	Hollander Sleep Products, LLC	United States of America
DOUBLE SUPPORT	Registered	78137048	6/19/2002	2,818,380	2/24/2004	Hollander Sleep Products, LLC	United States of America
DOWN EMBRACE	Registered	75455209	3/23/1998	2,244,632	5/11/1999	Hollander Sleep Products, LLC	United States of America
DOWN ENRAPTURE	Registered	85484775	12/1/2011	4,259,027	12/11/2012	Hollander Sleep Products, LLC	United States of America
DOWN ON TOP	Registered	74437385	9/20/1993	1,946,008	1/2/1996	Hollander Sleep Products, LLC	United States of America
DOWN SURROUND	Registered	74437384	9/20/1993	1,949,403	1/16/1996	Hollander Sleep Products, LLC	United States of America
DOWN WRAP	Registered	76052619	5/22/2000	2,479,644	8/21/2001	Hollander Sleep Products, LLC	United States of America

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DOWNAROUND	Registered	73445911	9/29/1983	1,292,323	8/28/1984	Hollander Sleep Products, LLC	United States of America
DOWNLOCK	Registered	74576144	9/20/1994	2,095,513	9/9/1997	Hollander Sleep Products, LLC	United States of America
DOWNWORKS	Registered	77044395	11/15/2006	3,870,768	11/2/2010	Hollander Sleep Products, LLC	United States of America
DOWNWORKS	Registered	85776239	11/9/2012	4,522,827	4/29/2014	Hollander Sleep Products, LLC	United States of America
DREAMLOFT	Registered	77780564	7/14/2009	4,067,713	12/6/2011	Hollander Sleep Products, LLC	United States of America
DREAM-LOFT	Registered	86244594	4/7/2014	4,863,911	12/1/2015	Hollander Sleep Products, LLC	United States of America
DREAMSCAPE	Registered	75258742	3/17/1997	2,158,623	5/19/1998	Hollander Sleep Products, LLC	United States of America
DREAMSCAPE	Registered	77662373	2/3/2009	3,663,632	8/4/2009	Hollander Sleep Products, LLC	United States of America
DREAMY NIGHTS	Registered	76407514	5/14/2002	2,795,796	12/16/2003	Hollander Sleep Products, LLC	United States of America
DUAL ZONE	Registered	77489595	6/3/2008	3,540,297	12/2/2008	Hollander Sleep Products, LLC	United States of America
DURAFIL	Registered	73657595	4/27/1987	1,473,201	1/19/1988	Hollander Sleep Products, LLC	United States of America
ECO-SMART	Registered	78924315	7/7/2006	3,538,930	11/25/2008	Hollander Sleep Products, LLC	United States of America
ECO-SMART	Registered	87203501	10/14/2016	5,336,781	11/14/2017	Hollander Sleep Products, LLC	United States of America
ELEMENTA	Registered	78778597	12/21/2005	3,665,120	8/4/2009	Hollander Sleep Products, LLC	United States of America
EMBRACE	Registered	74197577	8/23/1991	1,772,376	5/18/1993	Hollander Sleep Products, LLC	United States of America

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
EMBRACE	Registered	77448341	4/15/2008	3,808,912	6/29/2010	Hollander Sleep Products, LLC	United States of America
EMCOMPASS	Registered	76121955	9/5/2000	2,569,503	5/14/2002	Hollander Sleep Products, LLC	United States of America
EURO REST	Registered	75852933	11/17/1999	2,663,759	12/17/2002	Hollander Sleep Products, LLC	United States of America
EURO STAR	Registered	76024225	4/12/2000	2,430,066	2/20/2001	Hollander Sleep Products, LLC	United States of America
EURODOWN	Registered	73546201	7/2/1985	1,411,336	9/30/1986	Hollander Sleep Products, LLC	United States of America
EUROFEATHER	Registered	76514399	5/15/2003	2,896,731	10/26/2004	Hollander Sleep Products, LLC	United States of America
EVEN EDGE	Registered	87277960	12/22/2016	5,245,937	7/18/2017	Hollander Sleep Products, LLC	United States of America
EVENREST	Registered	85032125	5/6/2010	4,071,381	12/13/2011	Hollander Sleep Products, LLC	United States of America
EVERLASTING LOFT	Registered	86024994	7/31/2013	4,893,314	1/26/2016	Hollander Sleep Products, LLC	United States of America
EXPAND A GRIP	Registered	74040636	3/21/1990	1,649,144	6/25/1991	Hollander Sleep Products, LLC	United States of America
EXPAND A GRIP and Design	Registered	77716514	4/17/2009	3,794,644	5/25/2010	Hollander Sleep Products, LLC	United States of America
FEATHER BEST	Registered	86553361	3/4/2015	4,994,980	7/5/2016	Hollander Sleep Products, LLC	United States of America
FEATHERSOFT	Registered	76016034	4/3/2000	2,499,127	10/16/2001	Hollander Sleep Products, LLC	United States of America
FILLED WITH THOUGHT	Registered	78760650	11/23/2005	3,671,015	8/18/2009	Hollander Sleep Products, LLC	United States of America
FLAWLESS FIT	Registered	85776309	11/9/2012	4,586,759	8/19/2014	Hollander Sleep Products, LLC	United States of America

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FLEXIBLE COMFORT	Registered	86783179	10/9/2015	4,987,328	6/28/2016	Hollander Sleep Products, LLC	United States of America
FLEXILOFT	Registered	76151853	10/23/2000	2,558,362	4/9/2002	Hollander Sleep Products, LLC	United States of America
FLEXO-TECH	Registered	87249386	11/28/2016	5,371,395	1/2/2018	Hollander Sleep Products, LLC	United States of America
FLUFFY FOR LIFE	Registered	87118751	7/27/2016	5,155,793	3/7/2017	Hollander Sleep Products, LLC	United States of America
FOREVER FIRM	Registered	85790985	11/29/2012	4,438,818	11/26/2013	Hollander Sleep Products, LLC	United States of America
FOREVER FIT	Registered	85766694	10/30/2012	4,478,885	2/4/2014	Hollander Sleep Products, LLC	United States of America
FOUR STAR	Registered	76345671	12/6/2001	2,692,542	3/4/2003	Hollander Sleep Products, LLC	United States of America
FRESHNESS ASSURED	Registered	76394171	4/10/2002	2,883,566	9/14/2004	Hollander Sleep Products, LLC	United States of America
GEN (Stylized)	Registered	85429472	9/22/2011	4,656,551	12/16/2014	Hollander Sleep Products, LLC	United States of America
GRAND EMBRACE	Registered	75455208	3/23/1998	2,244,631	5/11/1999	Hollander Sleep Products, LLC	United States of America
GRAND LOFT	Registered	86411802	10/1/2014	5,027,679	8/23/2016	Hollander Sleep Products, LLC	United States of America
GRAPH-X	Registered	86428704	10/20/2014	5,508,825	7/3/2018	Hollander Sleep Products, LLC	United States of America
GRAPH-X and Design	Registered	86428660	10/20/2014	5,508,824	7/3/2018	Hollander Sleep Products, LLC	United States of America
GREAT SLEEP	Registered	75472656	4/23/1998	2,301,602	12/21/1999	Hollander Sleep Products, LLC	United States of America
GREAT SLEEP	Registered	87203471	10/14/2016	5,530,920	7/31/2018	Hollander Sleep Products, LLC	United States of America

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GREATFIT	Registered	85766690	10/30/2012	4,359,455	6/25/2013	Hollander Sleep Products, LLC	United States of America
HEALTHY HOME	Registered	77848622	10/14/2009	4,335,138	5/14/2013	Hollander Sleep Products, LLC	United States of America
HEALTHY HOME	Registered	77848609	10/14/2009	3,771,544	4/6/2010	Hollander Sleep Products, LLC	United States of America
Heart Logo	Registered	87203489	10/14/2016	5,590,861	10/23/2018	Hollander Sleep Products, LLC	United States of America
HOLLANDER	Registered	74295197	7/15/1992	1,781,457	7/13/1993	Hollander Sleep Products, LLC	United States of America
HOLLANDER SLEEP PRODUCTS	Registered	86060516	9/10/2013	5,281,490	9/5/2017	Hollander Sleep Products, LLC	United States of America
HOMESPUN	Registered	85673317	7/10/2012	5,082,443	11/15/2016	Hollander Sleep Products, LLC	United States of America
HUGE	Registered	78320367	10/29/2003	2,926,375	2/15/2005	Hollander Sleep Products, LLC	United States of America
HUGE	Registered	75307538	6/12/1997	2,322,531	2/22/2000	Hollander Sleep Products, LLC	United States of America
HUNK	Registered	74281877	6/3/1992	1,747,136	1/19/1993	Hollander Sleep Products, LLC	United States of America
HUNK	Registered	86308201	6/12/2014	4,902,512	2/16/2016	Hollander Sleep Products, LLC	United States of America
HYDRAFRESH	Registered	86481949	12/16/2014	5,498,091	6/19/2018	Hollander Sleep Products, LLC	United States of America
HYDROGEL	Registered	87525570	7/12/2017	5,587,383	10/16/2018	Hollander Sleep Products, LLC	United States of America
HYDROGEL and Design	Registered	87308746	1/20/2017	5,284,781	9/12/2017	Hollander Sleep Products, LLC	United States of America
HYPERCLEAN	Registered	74648845	3/20/1995	2,065,582	5/27/1997	Hollander Sleep Products, LLC	United States of America

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I AM	Registered	87176737	9/20/2016	5,716,014	4/2/2019	Hollander Sleep Products, LLC	United States of America
I AM & DESIGN	Registered	75781525	8/23/1999	2,786,754	11/25/2003	Hollander Sleep Products, LLC	United States of America
IDEAL	Registered	77941722	2/22/2010	4,029,492	9/20/2011	Hollander Sleep Products, LLC	United States of America
INFINILOFT	Registered	86194562	2/14/2014	4,564,329	7/8/2014	Hollander Sleep Products, LLC	United States of America
INFINILOFT	Registered	86346952	7/24/2014	5,023,076	8/16/2016	Hollander Sleep Products, LLC	United States of America
INFINITY	Registered	86281974	5/15/2014	4,664,910	12/30/2014	Hollander Sleep Products, LLC	United States of America
INSULOFT	Registered	74682517	5/31/1995	1,964,294	3/26/1996	Hollander Sleep Products, LLC	United States of America
LC Boot Logo	Registered	86799359	10/26/2015	4,988,088	6/28/2016	Hollander Sleep Products, LLC	United States of America
LC Boot Logo	Registered	85426084	9/19/2011	4,433,022	11/12/2013	Hollander Sleep Products, LLC	United States of America
LC BOOT LOGO	Registered	86348011	7/25/2014	5,448,763	4/17/2018	Hollander Sleep Products, LLC	United States of America
LITE-LOFT	Registered	85933949	5/16/2013	4,458,890	12/31/2013	Hollander Sleep Products, LLC	United States of America
LIVE ACTIVE	Registered	85429497	9/22/2011	4,656,553	12/16/2014	Hollander Sleep Products, LLC	United States of America
LIVE COMFORTABLY	Registered	86799364	10/26/2015	4,988,089	6/28/2016	Hollander Sleep Products, LLC	United States of America
LIVE COMFORTABLY	Registered	86348023	7/25/2014	5,443,535	4/10/2018	Hollander Sleep Products, LLC	United States of America
LIVE COMFORTABLY	Registered	78115624	3/18/2002	2,751,427	8/12/2003	Hollander Sleep Products, LLC	United States of America

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
LIVE COMFORTABLY	Registered	85426071	9/19/2011	4,448,232	12/10/2013	Hollander Sleep Products, LLC	United States of America
LIVE NOW!	Registered	85429491	9/22/2011	4,656,552	12/16/2014	Hollander Sleep Products, LLC	United States of America
LOVES TO BE WASHED	Registered	87079290	7/21/2016	5,145,463	2/21/2017	Hollander Sleep Products, LLC	United States of America
LUNALUXE	Registered	85473959	11/16/2011	4,369,363	7/16/2013	Hollander Sleep Products, LLC	United States of America
LUX LOFT	Registered	85137710	9/24/2010	4,471,153	1/21/2014	Hollander Sleep Products, LLC	United States of America
LUXEFILL	Registered	77912125	1/14/2010	3,941,758	4/5/2011	Hollander Sleep Products, LLC	United States of America
LUXEGUARD	Registered	77415386	3/6/2008	3,530,379	11/11/2008	Hollander Sleep Products, LLC	United States of America
LYOCELL DOWN	Registered	85795227	12/5/2012	4,599,592	9/9/2014	Hollander Sleep Products, LLC	United States of America
MAXILOFT	Registered	76151535	10/23/2000	2,747,902	8/5/2003	Hollander Sleep Products, LLC	United States of America
MICRO CLUSTER	Registered	74735992	9/29/1995	2,285,747	10/12/1999	Hollander Sleep Products, LLC	United States of America
MICROFIL	Registered	74465476	12/6/1993	1,932,149	10/31/1995	Hollander Sleep Products, LLC	United States of America
MICROGUARD	Registered	75083902	4/4/1996	2,221,909	2/2/1999	Hollander Sleep Products, LLC	United States of America
MICROMAX	Registered	86511410	1/22/2015	4,803,617	9/1/2015	Hollander Sleep Products, LLC	United States of America
NATURAL BALANCE	Registered	76386744	5/25/2002	2,952,284	5/17/2005	Hollander Sleep Products, LLC	United States of America
NECKRIGHT	Registered	85323141	5/17/2011	4,270,575	1/8/2013	Hollander Sleep Products, LLC	United States of America

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NEVER FLAT	Registered	78238885	4/17/2003	3,107,498	6/20/2006	Hollander Sleep Products, LLC	United States of America
NORTHERN STAR DOWN BLANKET	Registered	76024250	4/12/2000	2,551,812	3/26/2002	Hollander Sleep Products, LLC	United States of America
NOTION	Registered	78630881	5/16/2005	3,738,196	1/12/2010	Hollander Sleep Products, LLC	United States of America
NSP	Registered	85775084	11/8/2012	4,334,982	5/14/2013	Hollander Sleep Products, LLC	United States of America
OPTAFIL	Registered	74080092	7/20/1990	1,717,102	9/15/1992	Hollander Sleep Products, LLC	United States of America
OPULUXE	Registered	86498928	1/8/2015	5,161,606	3/14/2017	Hollander Sleep Products, LLC	United States of America
PACIFIC COAST	Registered	74648042	3/17/1995	1,949,211	1/16/1996	Hollander Sleep Products, LLC	United States of America
PACIFIC COAST	Registered	85626829	5/16/2012	4,495,425	3/11/2014	Hollander Sleep Products, LLC	United States of America
PACIFIC COAST	Registered	85770700	11/2/2012	4,429,909	11/5/2013	Hollander Sleep Products, LLC	United States of America
PACIFIC COAST	Registered	86442842	11/3/2014	4,743,698	5/26/2015	Hollander Sleep Products, LLC	United States of America
PACIFIC COAST	Registered	86847029	12/11/2015	5,007,654	7/26/2016	Hollander Sleep Products, LLC	United States of America
PACIFIC COAST FEATHER CO	Registered	86803847	10/29/2015	5,335,950	11/14/2017	Hollander Sleep Products, LLC	United States of America
PACIFIC COAST FEATHER CO SINCE 1884 and Design	Registered	86455279	11/14/2014	5,057,088	10/11/2016	Hollander Sleep Products, LLC	United States of America

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
PACIFIC COAST FEATHER CO. SINCE 1884 and Design	Registered	75000867	10/2/1995	1,997,118	8/27/1996	Hollander Sleep Products, LLC	United States of America
PACIFIC COAST GRAND	Registered	76975951	11/5/2001	2,792,723	12/9/2003	Hollander Sleep Products, LLC	United States of America
PACIFIC PILLOWS	Registered	78696103	8/19/2005	4,721,903	4/21/2015	Hollander Sleep Products, LLC	United States of America
PEACHY	Registered	76024553	4/13/2000	2,489,420	9/11/2001	Hollander Sleep Products, LLC	United States of America
PERFECT REST	Registered	85164795	10/29/2010	4,547,877	6/10/2014	Hollander Sleep Products, LLC	United States of America
PERFECT SUPPORT	Registered	74640191	2/24/1995	2,005,391	10/1/1996	Hollander Sleep Products, LLC	United States of America
PERFECT-FOR-FOAM	Registered	86025000	7/31/2013	4,569,844	7/15/2014	Hollander Sleep Products, LLC	United States of America
PERFORMANCE GRIP	Registered	85776299	11/9/2012	4,905,430	2/23/2016	Hollander Sleep Products, LLC	United States of America
PHYSIOFORM	Registered	86014430	7/18/2013	4,594,242	8/26/2014	Hollander Sleep Products, LLC	United States of America
POLYFIBER COILS	Registered	75494639	6/1/1998	2,394,404	10/10/2000	Hollander Sleep Products, LLC	United States of America
POWER FILL	Registered	74450485	10/25/1993	2,072,070	6/17/1997	Hollander Sleep Products, LLC	United States of America
PRESTIGE	Registered	77755289	6/9/2009	4,063,779	11/29/2011	Hollander Sleep Products, LLC	United States of America
PROFORMANCE	Registered	78594110	3/24/2005	3,641,199	6/16/2009	Hollander Sleep Products, LLC	United States of America
PROGUARD	Registered	76102911	8/3/2000	2,531,647	1/22/2002	Hollander Sleep Products, LLC	United States of America

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
PROGUARD	Registered	85776252	11/9/2012	4,905,429	2/23/2016	Hollander Sleep Products, LLC	United States of America
PURE SENSATION	Registered	86386221	9/5/2014	4,833,337	10/13/2015	Hollander Sleep Products, LLC	United States of America
RADIANCE	Registered	74494257	2/25/1994	1,928,681	10/17/1995	Hollander Sleep Products, LLC	United States of America
RELIAGRIP (STYLIZED)	Registered	76455729	10/4/2002	2,752,549	8/19/2003	Hollander Sleep Products, LLC	United States of America
REMMY	Registered	86088677	10/10/2013	4,600,145	9/9/2014	Hollander Sleep Products, LLC	United States of America
RENOVA	Registered	77922713	1/28/2010	4,049,909	11/1/2011	Hollander Sleep Products, LLC	United States of America
REPLENISH	Registered	85007635	4/6/2010	4,264,928	12/25/2012	Hollander Sleep Products, LLC	United States of America
REPLENISH	Registered	85007634	4/6/2010	4,264,927	12/25/2012	Hollander Sleep Products, LLC	United States of America
RESILIA	Registered	86340140	7/17/2014	4,911,903	3/8/2016	Hollander Sleep Products, LLC	United States of America
RESPONSIBLE LUXURY	Registered	86272989	5/6/2014	5,317,377	10/24/2017	Hollander Sleep Products, LLC	United States of America
RESTFUL NIGHTS	Registered	76463983	11/4/2002	2,747,025	8/5/2003	Hollander Sleep Products, LLC	United States of America
ROYALOFT (STYLIZED)	Registered	76556624	11/3/2003	2,901,394	11/9/2004	Hollander Sleep Products, LLC	United States of America
R-TECH	Registered	85029408	5/4/2010	4,060,884	11/22/2011	Hollander Sleep Products, LLC	United States of America
Running Human Logo	Registered	87203462	10/14/2016	5,590,860	10/23/2018	Hollander Sleep Products, LLC	United States of America
SECURE WEAVE	Registered	85796622	12/6/2012	4,549,360	6/10/2014	Hollander Sleep Products, LLC	United States of America

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
SECUREFIT	Registered	76130775	9/20/2000	2,523,708	12/25/2001	Hollander Sleep Products, LLC	United States of America
SENSACOOL	Registered	85655930	6/19/2012	4,632,783	11/4/2014	Hollander Sleep Products, LLC	United States of America
SIDE-BY-SIDE	Registered	78745714	11/2/2005	3,189,146	12/26/2006	Hollander Sleep Products, LLC	United States of America
SIMPLE COMFORT	Registered	86259009	4/22/2014	4,960,759	5/17/2016	Hollander Sleep Products, LLC	United States of America
SIX STAR	Registered	76345672	12/6/2001	2,692,543	3/4/2003	Hollander Sleep Products, LLC	United States of America
SLEEP FOR SUCCESS	Registered	85109698	8/17/2010	4,195,182	8/21/2012	Hollander Sleep Products, LLC	United States of America
SLEEP FOR SUCCESS!	Registered	87662690	10/27/2017	5,578,548	10/9/2018	Hollander Sleep Products, LLC	United States of America
SLEEP SAFE	Registered	85631966	5/22/2012	5,241,684	7/11/2017	Hollander Sleep Products, LLC	United States of America
SLEEPSATIONS	Registered	85142876	10/1/2010	4,272,674	1/8/2013	Hollander Sleep Products, LLC	United States of America
SLUMBER CORE	Registered	76410016	5/20/2002	2,798,849	12/23/2003	Hollander Sleep Products, LLC	United States of America
SLUMBER'S ALLURE	Registered	85484782	12/1/2011	4,584,846	8/12/2014	Hollander Sleep Products, LLC	United States of America
SLUMBER'S ALLURE	Registered	85979427	12/1/2011	4,385,616	8/13/2013	Hollander Sleep Products, LLC	United States of America
SMART FOAM	Registered	75618046	1/9/1999	2,364,063	7/4/2000	Hollander Sleep Products, LLC	United States of America
SMART GRIP	Registered	85766699	10/30/2012	4,660,112	12/23/2014	Hollander Sleep Products, LLC	United States of America
SMARTFLEX	Registered	85133374	9/20/2010	4,143,506	5/15/2012	Hollander Sleep Products, LLC	United States of America

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
SMARTFLEX	Registered	85133384	9/20/2010	4,265,005	12/25/2012	Hollander Sleep Products, LLC	United States of America
SMOOTH GRIP	Registered	77700895	3/27/2009	3,761,840	3/16/2010	Hollander Sleep Products, LLC	United States of America
SMOOTH GRIP and Design	Registered	77716507	4/17/2009	3,791,297	5/18/2010	Hollander Sleep Products, LLC	United States of America
SNUG KNIT	Registered	76229652	3/26/2001	2,944,241	4/26/2005	Hollander Sleep Products, LLC	United States of America
SOMNUS	Registered	76580852	3/15/2004	2,951,135	5/17/2005	Hollander Sleep Products, LLC	United States of America
SOUTHERN STAR	Registered	76024251	4/12/2000	2,430,069	2/20/2001	Hollander Sleep Products, LLC	United States of America
STARLIGHT DUVET INSERT	Registered	76024226	4/12/2000	2,430,067	2/20/2001	Hollander Sleep Products, LLC	United States of America
STAYFLUFF	Registered	77814352	8/27/2009	3,877,872	11/16/2010	Hollander Sleep Products, LLC	United States of America
SUPER FILLED	Registered	85785361	11/21/2012	4,545,331	6/3/2014	Hollander Sleep Products, LLC	United States of America
SUPER FIT	Registered	85755198	10/16/2012	4,632,904	11/4/2014	Hollander Sleep Products, LLC	United States of America
SUPER SUPPORT	Registered	85371305	7/14/2011	4,344,316	5/28/2013	Hollander Sleep Products, LLC	United States of America
SUPERFLUFF	Registered	77645906	1/8/2009	4,276,011	1/15/2013	Hollander Sleep Products, LLC	United States of America
SUPERGRIP	Registered	77826176	9/14/2009	3,923,874	2/22/2011	Hollander Sleep Products, LLC	United States of America
SUPERSIDE	Registered	78381047	3/9/2004	2,984,220	8/9/2005	Hollander Sleep Products, LLC	United States of America
SUPRACELL	Registered	86241535	4/3/2014	4,698,518	3/10/2015	Hollander Sleep Products, LLC	United States of America

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
SUREHOLD	Registered	76107510	8/14/2000	2,587,466	7/2/2002	Hollander Sleep Products, LLC	United States of America
TERRALOFT	Registered	86625201	5/11/2016	5,096,349	12/6/2016	Hollander Sleep Products, LLC	United States of America
THE BEAST	Registered	86452246	11/12/2014	5,266,349	8/15/2017	Hollander Sleep Products, LLC	United States of America
THE JUMBO	Registered	78325794	11/10/2003	2,932,133	3/8/2005	Hollander Sleep Products, LLC	United States of America
THIS YEAR	Registered	85162559	10/27/2010	4,411,408	10/1/2013	Hollander Sleep Products, LLC	United States of America
TOUCH OF DOWN	Registered	78732065	10/12/2005	3,153,679	10/10/2006	Hollander Sleep Products, LLC	United States of America
TRANQUIL HARMONY	Registered	85484764	12/1/2011	4,251,405	11/27/2012	Hollander Sleep Products, LLC	United States of America
TRIA	Registered	77084967	1/17/2007	3,599,036	3/31/2009	Hollander Sleep Products, LLC	United States of America
TRILLIUM	Registered	78594123	3/24/2005	3,716,946	11/24/2009	Hollander Sleep Products, LLC	United States of America
TRI-LOFT	Registered	85135421	9/22/2010	4,335,240	5/14/2013	Hollander Sleep Products, LLC	United States of America
TRILOGY	Registered	74674187	5/15/1995	2,007,760	10/15/1996	Hollander Sleep Products, LLC	United States of America
TRIPLE COMFORT	Registered	86585852	4/2/2015	5,187,072	4/18/2017	Hollander Sleep Products, LLC	United States of America
TROPICAL STAR (STYLIZED)	Registered	76024227	4/12/2000	2,430,068	2/20/2001	Hollander Sleep Products, LLC	United States of America
TWO STAR (STYLIZED)	Registered	76345673	12/6/2001	2,692,544	3/4/2003	Hollander Sleep Products, LLC	United States of America
ULTIMATE FIT	Registered	86550234	3/2/2015	4,787,723	8/4/2015	Hollander Sleep Products, LLC	United States of America

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
UNCRUSHABLE (STYLIZED)	Registered	76462052	10/28/2002	3,294,379	9/18/2007	Hollander Sleep Products, LLC	United States of America
UNE VIE DOUILLETT	Registered	78157787	8/26/2002	2,851,928	6/8/2004	Hollander Sleep Products, LLC	United States of America
UNITED FEATHER & DOWN	Registered	87433862	5/2/2017	5728516	4/16/2019	United Feather & Down, LLC.	United States of America
US SMART	Registered	86020081	7/25/2013	4,657,173	12/16/2014	Hollander Sleep Products, LLC	United States of America
US SMART and Design	Registered	86020094	7/25/2013	4,657,174	12/16/2014	Hollander Sleep Products, LLC	United States of America
WAKE UP! AND LIVE	Registered	85250424	2/24/2011	4,564,473	7/8/2014	Hollander Sleep Products, LLC	United States of America
WHERE HOME IS ON THE WAY	Registered	85663071	6/27/2012	4,272,374	1/8/2013	Hollander Sleep Products, LLC	United States of America
WONDER LOFT	Registered	75383284	11/3/1997	2,362,736	6/27/2000	Hollander Sleep Products, LLC	United States of America
WON'T GO FLAT	Registered	85307645	4/28/2011	4,163,367	6/26/2012	Hollander Sleep Products, LLC	United States of America
WON'T GO FLAT	Registered	86599686	4/16/2015	4,915,237	3/8/2016	Hollander Sleep Products, LLC	United States of America
3W (Stylized)	Pending	87902261	5/1/2018			Hollander Sleep Products, LLC	United States of America
A WORLD OF COMFORT	Pending	87708942	12/5/2017			Hollander Sleep Products, LLC	United States of America
ALLSLEEP	Pending	88290665	2/6/2019			Hollander Sleep Products, LLC	United States of America
AQUACHILL	Pending	88208272	11/28/2018			Hollander Sleep Products, LLC	United States of America
ARCTIC DOWN	Pending	87662622	10/27/2017			Hollander Sleep Products, LLC	United States of America

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
ARCTIC FRESH	Pending	88253450	1/8/2019			Hollander Sleep Products, LLC	United States of America
BLUE DIAMOND	Pending	88186043	11/8/2018			Hollander Sleep Products, LLC	United States of America
COMFORT '365	Pending	86959503	3/31/2016			Hollander Sleep Products, LLC	United States of America
COMFORT '365 (Design)	Pending	88129193	9/24/2018			Hollander Sleep Products, LLC	United States of America
COMFORT-LITE	Pending	88285679	2/1/2019			Hollander Sleep Products, LLC	United States of America
DIAMONDCOOL	Pending	88219720	12/6/2018			Hollander Sleep Products, LLC	United States of America
ECO-SMART	Pending	88219558	12/6/2018			Hollander Sleep Products, LLC	United States of America
EMBRACE	Pending	88279342	1/28/2019			Hollander Sleep Products, LLC	United States of America
FLEXILOFT (STYLIZED)	Pending	88219808	12/6/2018			Hollander Sleep Products, LLC	United States of America
GREAT SLEEP	Pending	87927118	5/18/2018			Hollander Sleep Products, LLC	United States of America
GREAT SLEEP	Pending	88175067	10/30/2018			Hollander Sleep Products, LLC	United States of America
GREAT SLEEP	Pending	88308125	2/20/2019			Hollander Sleep Products, LLC	United States of America
GREAT THINGS COME FROM GREAT SLEEP	Pending	88158144	10/17/2018			Hollander Sleep Products, LLC	United States of America
HEALTHY LIVING	Pending	86436763	10/28/2014			Hollander Sleep Products, LLC	United States of America
HYDROCOOL	Pending	87166802	9/9/2016			Hollander Sleep Products, LLC	United States of America

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
I AM	Pending	87927124	5/18/2018			Hollander Sleep Products, LLC	United States of America
I AM	Pending	88127310	9/21/2018			Hollander Sleep Products, LLC	United States of America
I AM	Pending	88175746	10/31/2018			Hollander Sleep Products, LLC	United States of America
I AM	Pending	88295982	2/11/2019			Hollander Sleep Products, LLC	United States of America
I AM	Pending	88295968	2/11/2019			Hollander Sleep Products, LLC	United States of America
I AM	Pending	88295953	2/11/2019			Hollander Sleep Products, LLC	United States of America
I AM	Pending	88295961	2/11/2019			Hollander Sleep Products, LLC	United States of America
I AM	Pending	88295943	2/11/2019			Hollander Sleep Products, LLC	United States of America
I AM	Pending	88295894	2/11/2019			Hollander Sleep Products, LLC	United States of America
I AM	Pending	88295902	2/11/2019			Hollander Sleep Products, LLC	United States of America
I AM	Pending	87691276	11/20/2017			Hollander Sleep Products, LLC	United States of America
I AM YOGA	Pending	87742061	1/3/2018			Hollander Sleep Products, LLC	United States of America
LIVE COMFORTABLY	Pending	87931722	5/22/2018			Hollander Sleep Products, LLC	United States of America
LIVECOMFORTABLY (Stylized)	Pending	88310029	2/21/2019			Hollander Sleep Products, LLC	United States of America
LYODOWN	Pending	88212430	11/30/2018			Hollander Sleep Products, LLC	United States of America

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
LYODOWN SURROUND	Pending	88212247	11/30/2018			Hollander Sleep Products, LLC	United States of America
MIRACLE FIBER	Pending	86929044	3/4/2016			Hollander Sleep Products, LLC	United States of America
MIRACLE FIBER	Pending	87153590	8/29/2016			Hollander Sleep Products, LLC	United States of America
NATURAL ELEMENTS	Pending	87308348	1/20/2017			Hollander Sleep Products, LLC	United States of America
NATURALLY COOL	Pending	88134008	9/27/2018			Hollander Sleep Products, LLC	United States of America
NEVERFLAT	Pending	87509017	6/28/2017			Hollander Sleep Products, LLC	United States of America
OPTITEMP	Pending	88258277	1/11/2019			Hollander Sleep Products, LLC	United States of America
PACIFIC COAST FEATHER CO	Pending	88158175	10/17/2018			Hollander Sleep Products, LLC	United States of America
PERFECT REST	Pending	88279357	1/28/2019			Hollander Sleep Products, LLC	United States of America
POP CORNER	Pending	88176018	10/31/2018			Hollander Sleep Products, LLC	United States of America
RESPONSIBLE LUXURY	Pending	88219562	12/6/2018			Hollander Sleep Products, LLC	United States of America
SLEEP 4 A's	Pending	88176004	10/31/2018			Hollander Sleep Products, LLC	United States of America
SLZZP	Pending	87304233	1/17/2017			Hollander Sleep Products, LLC	United States of America
SMARTFLEX	Pending	88167359	10/24/2018			Hollander Sleep Products, LLC	United States of America
STRETCHFIT	Pending	88258336	1/11/2019			Hollander Sleep Products, LLC	United States of America

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
TECHNOLOGY THAT ADAPTS TO YOUR COMFORT	Pending	88175996	10/31/2018			Hollander Sleep Products, LLC	United States of America
TEMPZONE	Pending	88258284	1/11/2019			Hollander Sleep Products, LLC	United States of America
Three Arc Design	Pending	87784733	2/5/2018			Hollander Sleep Products, LLC	United States of America
TRI-COOL	Pending	87691494	11/20/2017			Hollander Sleep Products, LLC	United States of America
TWICE COOL	Pending	86924842	3/1/2016			Hollander Sleep Products, LLC	United States of America
US SMART	Pending	88219557	12/6/2018			Hollander Sleep Products, LLC	United States of America
US SMART & Design	Pending	88219553	12/6/2018			Hollander Sleep Products, LLC	United States of America
V-NECK	Pending	88279329	1/28/2019			Hollander Sleep Products, LLC	United States of America

CANADIAN TRADEMARK REGISTRATIONS AND APPLICATIONS:

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
A WORLD OF COMFORT	Registered	1752828	10/30/2015	TMA999,487	6/20/2018	Hollander Sleep Products, LLC	Canada
A.H.F.	Registered	1421286	12/10/2008	TMA758656	2/2/2010	Hollander Sleep Products, LLC	Canada

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
ACTIVECOOL	Registered	1654979	12/5/2013	TMA957136	12/5/2016	Hollander Sleep Products, LLC	Canada
AFFIRM	Registered	1481169	5/14/2010	TMA826628	6/19/2012	Hollander Sleep Products, LLC	Canada
AHF & DESIGN	Registered	1421287	12/10/2008	TMA758655	2/2/2010	Hollander Sleep Products, LLC	Canada
ALLERREST	Registered	1209830	3/16/2004	TMA711231	4/8/2008	Hollander Sleep Products, LLC	Canada
ALLER-SURE	Registered	1442239	6/19/2009	TMA854200	6/28/2013	Hollander Sleep Products, LLC	Canada
ALLERX	Registered	1371733	11/13/2007	TMA748573	9/23/2009	Hollander Sleep Products, LLC	Canada
ARCTIC FRESH	Registered	1498171	10/1/2010	TMA916923	10/13/2015	Hollander Sleep Products, LLC	Canada

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BABY BLUE	Registered	1487405	7/5/2010	TMA796525	5/2/2011	Hollander Sleep Products, LLC	Canada
BARRIER WEAVE	Registered	1501835	10/29/2010	TMA833243	9/28/2012	Hollander Sleep Products, LLC	Canada
BASIC COMFORT	Registered	1477224	4/16/2010	TMA791232	2/21/2011	Hollander Sleep Products, LLC	Canada
BED ARMOR	Registered	1168865	2/21/2003	TMA643658	7/6/2005	Hollander Sleep Products, LLC	Canada
BEYOND COMFORT	Registered	1440876	6/9/2009	TMA875807	4/15/2014	Hollander Sleep Products, LLC	Canada
BEYOND DOWN	Registered	1555263	12/7/2011	TMA838340	12/12/2012	Hollander Sleep Products, LLC	Canada
BEYOND SLEEP	Registered	1320820	10/19/2006	TMA783454	11/25/2010	Hollander Sleep Products, LLC	Canada

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
BIG COMFORT	Registered	1418469	11/17/2008	TMA757693	1/22/2010	Hollander Sleep Products, LLC	Canada
BIO-BAG	Registered	1424031	1/9/2009	TMA762644	3/25/2010	Hollander Sleep Products, LLC	Canada
BIO-BAG...& DESIGN	Registered	1424136	1/12/2009	TMA763908	4/12/2010	Hollander Sleep Products, LLC	Canada
BIOCRYSTAL	Registered	1439354	5/27/2009	TMA766718	5/13/2010	Hollander Sleep Products, LLC	Canada
BREATHE WELL	Registered	894571	10/27/1998	TMA553109	10/31/2001	Hollander Sleep Products, LLC	Canada
BREATHE-COOL	Registered	1672011	4/9/2014	TMA992765	3/20/2018	Hollander Sleep Products, LLC	Canada
BREATHEWELL	Registered	1705939	12/5/2014	TMA995431	4/27/2018	Hollander Sleep Products, LLC	Canada

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
BUG BLOCK	Registered	1517755	3/4/2011	TMA817566	2/14/2012	Hollander Sleep Products, LLC	Canada
CANADA SMART	Registered	1637354	7/30/2013	TMA962733	2/14/2017	Hollander Sleep Products, LLC	Canada
CANADA SMART Logo	Registered	1655188	12/6/2013	TMA954199	11/3/2016	Hollander Sleep Products, LLC	Canada
CANNSTATTER	Registered	1442808	6/25/2009	TMA881243	7/4/2014	Hollander Sleep Products, LLC	Canada
CAPTURE TOP	Registered	1371711	11/13/2007	TMA757842	1/26/2010	Hollander Sleep Products, LLC	Canada
CHAMBERCOMBE	Registered	1461288	12/2/2009	TMA822977	4/26/2012	Hollander Sleep Products, LLC	Canada
CLEAN COMFORT	Registered	1371773	11/13/2007	TMA729336	11/24/2008	Hollander Sleep Products, LLC	Canada

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CLEAN LIVING	Registered	1385283	2/28/2008	TMA729332	11/24/2008	Hollander Sleep Products, LLC	Canada
CLEANLOFT	Registered	1386815	3/11/2008	TMA729334	11/24/2008	Hollander Sleep Products, LLC	Canada
CLEAR FRESH	Registered	1534918	7/8/2011	TMA910814	8/11/2015	Hollander Sleep Products, LLC	Canada
CLUSTAIRE	Registered	1309744	7/19/2006	TMA795171	4/11/2011	Hollander Sleep Products, LLC	Canada
CLUSTER PUFF	Registered	1221423	6/23/2004	TMA662003	3/31/2006	Hollander Sleep Products, LLC	Canada
COMFORT CORE	Registered	0848198	6/17/1997	TMA593052	10/24/2003	Hollander Sleep Products, LLC	Canada
COMFORT LOCK	Registered	0768647	11/15/1994	TMA488350	1/27/1998	Hollander Sleep Products, LLC	Canada

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COMFORT WRAP	Registered	1394765	5/8/2008	TMA763665	4/8/2010	Hollander Sleep Products, LLC	Canada
CONFORMANCE	Registered	1603389	11/21/2012	TMA965187	3/8/2017	Hollander Sleep Products, LLC	Canada
CONFORT ET RESPECT DE L'ENVIRO	Registered	1377886	1/3/2008	TMA735,546	3/3/2009	Hollander Sleep Products, LLC	Canada
CORE SLEEP	Registered	1540395	8/19/2011	TMA883014	7/29/2014	Hollander Sleep Products, LLC	Canada
COTON D'OR	Registered	1379243	1/15/2008	TMA729330	11/24/2008	Hollander Sleep Products, LLC	Canada
COTTON D'OR	Registered	1379251	1/15/2008	TMA729331	11/24/2008	Hollander Sleep Products, LLC	Canada
CRYSTALLINE	Registered	1700233	10/29/2014	TMA984,327	11/6/2017	Hollander Sleep Products, LLC	Canada

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
CUDDLESOFT	Registered	1254954	4/21/2005	TMA661418	3/24/2006	Hollander Sleep Products, LLC	Canada
DOUBLE STUFF	Registered	1603384	11/21/2012	TMA918325	10/26/2015	Hollander Sleep Products, LLC	Canada
DOWN AROUND	Registered	0818663	7/23/1996	TMA502795	10/26/1998	Hollander Sleep Products, LLC	Canada
DOWN CRADLE	Registered	1438962	5/22/2009	TMA826867	6/21/2010	Hollander Sleep Products, LLC	Canada
DOWN ENHANCE	Registered	1458920	11/12/2009	TMA831845	9/12/2012	Hollander Sleep Products, LLC	Canada
DOWN ENRAPTURE	Registered	1556714	12/16/2011	TMA921503	11/27/2015	Hollander Sleep Products, LLC	Canada
DOWN SURROUND	Registered	1603711	11/23/2012	TMA879063	5/29/2014	Hollander Sleep Products, LLC	Canada

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
DOWN WRAP	Registered	1442733	6/25/2009	TMA768528	6/2/2010	Hollander Sleep Products, LLC	Canada
DOWNLOCK	Registered	0768646	11/15/1994	TMA511258	4/28/1999	Hollander Sleep Products, LLC	Canada
DOWNWORKS	Registered	1603385	11/21/2012	TMA918328	10/26/2015	Hollander Sleep Products, LLC	Canada
DREAM SOLUTIONS	Registered	1304909	6/9/2006	TMA805965	9/2/2011	Hollander Sleep Products, LLC	Canada
DREAMSCAPE	Registered	846340	5/28/1997	537853	11/28/2000	Hollander Sleep Products, LLC	Canada
DUAL ZONE	Registered	1398619	1/9/2007	TMA810191	10/25/2011	Hollander Sleep Products, LLC	Canada
EARTH ESSENTIALS	Registered	1378501	1/9/2008	TMA762747	3/26/2010	Hollander Sleep Products, LLC	Canada

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
ECOCOMFORT	Registered	1387259	3/13/2008	TMA729339	11/24/2008	Hollander Sleep Products, LLC	Canada
EUROFEATHER	Registered	0782569	5/10/1995	TMA492650	4/8/1998	Hollander Sleep Products, LLC	Canada
EVENDREAM	Registered	1441466	6/15/2009	TMA849032	4/19/2013	Hollander Sleep Products, LLC	Canada
EXPAND A GRIP and Design	Registered	1435253	4/21/2009	TMA822446	4/18/2012	Hollander Sleep Products, LLC	Canada
EXPAND-A-GRIP	Registered	0666903	9/20/1990	TMA402264	9/4/1992	Hollander Sleep Products, LLC	Canada
FLAWLESS FIT	Registered	1625829	5/8/2013	TMA937108	5/6/2016	Hollander Sleep Products, LLC	Canada
FOREVER FIRM	Registered	1606548	12/13/2012	TMA918324	10/26/2015	Hollander Sleep Products, LLC	Canada

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
FOREVER FIT	Registered	1655830	12/11/2013	TMA917331	10/16/2015	Hollander Sleep Products, LLC	Canada
GEN Stylized	Registered	1547226	10/11/2011	TMA933616	4/4/2016	Hollander Sleep Products, LLC	Canada
GRAND LOFT	Registered	1696599	10/3/2014	TMA982124	10/4/2017	Hollander Sleep Products, LLC	Canada
GREAT SLEEP	Registered	1544177	9/20/2011	TMA831859	9/12/2012	Hollander Sleep Products, LLC	Canada
HEALTHY HOME	Registered	829436	11/20/1996	494,096	5/7/1998	Hollander Sleep Products, LLC	Canada
HEALTHY LIVING	Registered	1384373	2/21/2008	TMA785748	12/22/2010	Hollander Sleep Products, LLC	Canada
HOLLANDER HOME FASHIONS	Registered	543705	6/13/1985	322219	12/26/1986	Hollander Sleep Products, LLC	Canada

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
HUGE	Registered	1489883	7/23/2010	TMA854631	7/5/2013	Hollander Sleep Products, LLC	Canada
HUNK	Registered	0746734	2/1/1994	TMA443659	6/9/1995	Hollander Sleep Products, LLC	Canada
HYDRAFRESH	Registered	1716186	2/20/2015	TMA959519	1/9/2017	Hollander Sleep Products, LLC	Canada
HYDROCOOL	Registered	1653474	11/25/2013	TMA960082	1/12/2017	Hollander Sleep Products, LLC	Canada
HYPERCLEAN	Registered	0782570	5/10/1995	TMA522690	2/7/2000	Hollander Sleep Products, LLC	Canada
HYPERCOOL	Registered	1720665	3/24/2015	TMA1008609	11/9/2018	Hollander Sleep Products, LLC	Canada
I AM	Registered	1814488	12/15/2016	TMA995331	4/26/2018	Hollander Sleep Products, LLC	Canada

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
IDEAL	Registered	1470983	2/25/2010	TMA836196	11/9/2012	Hollander Sleep Products, LLC	Canada
INFINILOFT	Registered	1598576	10/17/2012	TMA926730	1/21/2016	Hollander Sleep Products, LLC	Canada
LBC	Registered	1486934	6/29/2010	TMA797668	5/16/2011	Hollander Sleep Products, LLC	Canada
LBC CANADA	Registered	1486935	6/29/2010	TMA797667	5/16/2011	Hollander Sleep Products, LLC	Canada
LC Boot Logo	Registered	1545110	9/26/2011	TMA694979	8/11/2016	Hollander Sleep Products, LLC	Canada
LC Boot Logo	Registered	1752829	10/30/2015	TMA999949	6/28/2018	Hollander Sleep Products, LLC	Canada
LITE-LOFT	Registered	1655829	12/11/2013	TMA957,841	12/13/2016	Hollander Sleep Products, LLC	Canada

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
LIVE ACTIVE	Registered	1547220	10/11/2011	TMA933,843	4/6/2016	Hollander Sleep Products, LLC	Canada
LIVE COMFORTABLY	Registered	1151245	8/29/2002	TMA620,784	9/28/2004	Hollander Sleep Products, LLC	Canada
LIVE COMFORTABLY	Registered	1545102	9/26/2011	TMA964994	3/7/2017	Hollander Sleep Products, LLC	Canada
LIVE COMFORTABLY	Registered	1752655	10/29/2015	TMA999951	6/28/2018	Hollander Sleep Products, LLC	Canada
LIVE NOW	Registered	1547219	10/11/2011	TMA933604	4/4/2016	Hollander Sleep Products, LLC	Canada
LOVES TO BE WASHED	Registered	1716144	2/20/2015	TMA949671	9/19/2016	Hollander Sleep Products, LLC	Canada
LUXEGUARD	Registered	1300562	5/5/2006	TMA774802	8/17/2010	Hollander Sleep Products, LLC	Canada

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
LUXIA	Registered	1615486	2/25/2013	TMA888541	10/22/2014	Hollander Sleep Products, LLC	Canada
LUX-LOFT	Registered	1665911	2/28/2014	TMA1008353	11/6/2018	Hollander Sleep Products, LLC	Canada
LUNALUXE	Registered	1552990	11/21/2011	TMA979323	8/24/2017	Hollander Sleep Products, LLC	Canada
MICROMAX	Registered	1713441	2/2/2015	TMA966629	3/23/2017	Hollander Sleep Products, LLC	Canada
MIRACLE DREAMS	Registered	1390225	4/7/2008	TMA742935	7/2/2009	Hollander Sleep Products, LLC	Canada
MODERN HOME	Registered	1389289	3/31/2008	TMA729329	11/24/2008	Hollander Sleep Products, LLC	Canada
NATIONAL SLEEP PRODUCTS	Registered	0782145	5/5/1995	TMA494924	5/20/1998	Hollander Sleep Products, LLC	Canada

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
NATURAL BALANCE	Registered	1477078	4/15/2010	TMA875808	4/15/2014	Hollander Sleep Products, LLC	Canada
NATURAL ELEMENTS	Registered	1395929	5/15/2008	TMA755671	12/18/2009	Hollander Sleep Products, LLC	Canada
NATURAL LIVING	Registered	1155201	10/8/2002	TMA651523	10/26/2005	Hollander Sleep Products, LLC	Canada
NATURAL SLUMBER	Registered	1477260	4/16/2010	TMA878554	5/23/2014	Hollander Sleep Products, LLC	Canada
NEVER FLAT	Registered	1270917	9/2/2005	TMA669,135	8/2/2006	Hollander Sleep Products, LLC	Canada
NSP	Registered	1603382	11/21/2012	TMA918288	10/26/2015	Hollander Sleep Products, LLC	Canada
PACIFIC COAST	Registered	0787886	7/19/1995	TMA467336	12/9/1996	Hollander Sleep Products, LLC	Canada

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
PACIFIC COAST	Registered	1595092	9/20/2012	TMA909705	7/28/2015	Hollander Sleep Products, LLC	Canada
PACIFIC COAST	Registered	1602737	11/16/2012	TMA920131	11/13/2015	Hollander Sleep Products, LLC	Canada
PACIFIC COAST FEATHER CO SINCE	Registered	1708504	12/22/2014	TMA988,348	1/12/2018	Hollander Sleep Products, LLC	Canada
PACIFIC COAST FEATHER COMPANY	Registered	1760510	12/21/2015	TMA967093	3/29/2017	Hollander Sleep Products, LLC	Canada
POWER SLEEP	Registered	1548332	10/19/2011	TMA917149	10/15/2015	Hollander Sleep Products, LLC	Canada
POWERLOFT	Registered	1140435	5/13/2002	TMA598840	1/8/2004	Hollander Sleep Products, LLC	Canada
PROFORMANCE	Registered	1277594	10/28/2005	TMA788243	1/21/2011	Hollander Sleep Products, LLC	Canada

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
PROGUARD	Registered	1603391	11/21/2012	TMA998241	6/6/2018	Hollander Sleep Products, LLC	Canada
PÜR COMFORT	Registered	1558617	1/5/2012	TMA839518	1/8/2013	Hollander Sleep Products, LLC	Canada
PÜR SUPPORT	Registered	1558618	1/5/2012	TMA839517	1/8/2013	Hollander Sleep Products, LLC	Canada
PÜR VALUE	Registered	1558619	1/5/2012	TMA844892	2/27/2013	Hollander Sleep Products, LLC	Canada
QUEST	Registered	1510560	1/10/2011	TMA815264	1/10/2012	Hollander Sleep Products, LLC	Canada
RELIAGRIP (STYLIZED)	Registered	1476545	4/12/2010	TMA800129	6/16/2011	Hollander Sleep Products, LLC	Canada
RENOVA	Registered	1487429	7/5/2010	TMA854513	7/4/2013	Hollander Sleep Products, LLC	Canada

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
RESILIA	Registered	1685975	7/18/2014	TMA974466	6/27/2017	Hollander Sleep Products, LLC	Canada
RESTFUL NIGHTS	Registered	1166003	1/27/2003	TMA658115	2/6/2006	Hollander Sleep Products, LLC	Canada
SENSACOOL	Registered	1583150	6/21/2012	TMA973842	6/19/2017	Hollander Sleep Products, LLC	Canada
SIDE-BY-SIDE	Registered	1278498	11/4/2005	TMA697400	9/27/2007	Hollander Sleep Products, LLC	Canada
SILVER SURE	Registered	1361794	8/30/2007	TMA791673	2/25/2011	Hollander Sleep Products, LLC	Canada
SIMPLE COMFORT	Registered	1312384	7/31/2006	TMA693163	7/31/2007	Hollander Sleep Products, LLC	Canada
SLEEP CLASSICS	Registered	1450539	9/3/2009	TMA773119	7/28/2010	Hollander Sleep Products, LLC	Canada

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
SLEEPSATIONS	Registered	1341356	3/29/2007	TMA793831	3/25/2011	Hollander Sleep Products, LLC	Canada
SLEEPSATIONS	Registered	1498089	10/1/2010	TMA812456	11/23/2011	Hollander Sleep Products, LLC	Canada
SLZZP	Registered	1818741	1/18/2017	TMA1002051	8/2/2018	Hollander Sleep Products, LLC	Canada
SMART FIBRE	Registered	1275403	10/12/2005	TMA740173	5/14/2009	Hollander Sleep Products, LLC	Canada
SMARTFLEX	Registered	1500121	10/18/2010	TMA878219	5/20/2014	Hollander Sleep Products, LLC	Canada
SMOOTH GRIP	Registered	1432902	3/30/2009	TMA822189	4/16/2012	Hollander Sleep Products, LLC	Canada
SMOOTH GRIP and Design	Registered	1435254	4/21/2009	TMA822445	4/18/2012	Hollander Sleep Products, LLC	Canada

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
SNUG KNIT	Registered	1103001	5/15/2001	TMA667734	7/14/2006	Hollander Sleep Products, LLC	Canada
STRATUS	Registered	1442058	6/18/2009	TMA848287	4/11/2013	Hollander Sleep Products, LLC	Canada
STRETCHFIT	Registered	1082908	11/16/2000	TMA599736	1/16/2004	Hollander Sleep Products, LLC	Canada
STUDENT CHOICE	Registered	1371683	11/6/2007	TMA729335	11/24/2008	Hollander Sleep Products, LLC	Canada
STUDENT EDITIONS	Registered	1371654	11/5/2007	TMA729333	11/24/2008	Hollander Sleep Products, LLC	Canada
SUPER FIT	Registered	1598577	10/17/2012	TMA965370	3/10/2017	Hollander Sleep Products, LLC	Canada
SUPERGRIP	Registered	1451988	9/16/2009	TMA828203	7/17/2012	Hollander Sleep Products, LLC	Canada

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
SUPERSIDE	Registered	1452964	9/24/2009	TMA834458	10/17/2012	Hollander Sleep Products, LLC	Canada
SUPERSIDE	Registered	1225865	8/4/2004	TMA641078	6/1/2005	Hollander Sleep Products, LLC	Canada
THE BLUE WHALE	Registered	0858547	10/14/1997	TMA498787	8/17/1998	Hollander Sleep Products, LLC	Canada
THE BLUE WHALE	Registered	1504934	11/23/2010	TMA807902	9/28/2011	Hollander Sleep Products, LLC	Canada
TOP SHIELD	Registered	1458051	11/5/2009	TMA781429	11/2/2010	Hollander Sleep Products, LLC	Canada
TOUCH OF DOWN	Registered	1277793	10/31/2005	TMA710684	4/1/2008	Hollander Sleep Products, LLC	Canada
TRIA	Registered	1332303	2/23/2007	TMA811790	11/16/2011	Hollander Sleep Products, LLC	Canada

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
TRILLIUM	Registered	1340704	3/23/2007	TMA805969	9/2/2011	Hollander Sleep Products, LLC	Canada
TRUECLEAN	Registered	1487425	7/5/2010	TMA881261	7/4/2014	Hollander Sleep Products, LLC	Canada
ULTRA ESSENCE	Registered	1533355	6/27/2011	TMA879395	6/4/2014	Hollander Sleep Products, LLC	Canada
UNE VIE DOUILLETT	Registered	1151246	8/29/2002	TMA638,406	4/27/2005	Hollander Sleep Products, LLC	Canada
3W (Stylized)	Pending	1897263	5/3/2018			Hollander Sleep Products, LLC	Canada
ARCTIC DOWN	Pending	1903904	6/12/2018			Hollander Sleep Products, LLC	Canada
ARCTIC FRESH	Pending	1940803	1/15/2019			Hollander Sleep Products, LLC	Canada

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
DIAMONDCOOL	Pending	1705941	12/5/2014			Hollander Sleep Products, LLC	Canada
DIET EXERCISE SLEEP Arrows Logo	Pending	1903763	6/12/2018			Hollander Sleep Products, LLC	Canada
DURAFIL	Pending	1882474	2/9/2018			Hollander Sleep Products, LLC	Canada
ECO-SMART	Pending	1935566	12/12/2018			Hollander Sleep Products, LLC	Canada
ECO-SMART	Pending	1818740	1/18/2017			Hollander Sleep Products, LLC	Canada
EMBRACE	Pending	1944396	2/4/2019			Hollander Sleep Products, LLC	Canada
FLEXILOFT	Pending	1948064	2/25/2019			Hollander Sleep Products, LLC	Canada

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
FLEXILOFT (STYLIZED)	Pending	1935546	12/12/2018			Hollander Sleep Products, LLC	Canada
GREAT SLEEP	Pending	1900368	5/22/2018			Hollander Sleep Products, LLC	Canada
GREAT THINGS COME FROM GREAT SLEEP	Pending	1927369	10/26/2018			Hollander Sleep Products, LLC	Canada
I AM	Pending	1935568	12/12/2018			Hollander Sleep Products, LLC	Canada
I AM	Pending	1945575	2/11/2019			Hollander Sleep Products, LLC	Canada
I AM	Pending	1945574	2/11/2019			Hollander Sleep Products, LLC	Canada
I AM	Pending	1945584	2/11/2019			Hollander Sleep Products, LLC	Canada

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
I AM	Pending	1945583	2/11/2019			Hollander Sleep Products, LLC	Canada
I AM	Pending	1945582	2/11/2019			Hollander Sleep Products, LLC	Canada
I AM	Pending	1945581	2/11/2019			Hollander Sleep Products, LLC	Canada
I AM	Pending	1945578	2/11/2019			Hollander Sleep Products, LLC	Canada
I AM	Pending	1846279	7/7/2017			Hollander Sleep Products, LLC	Canada
I AM	Pending	1900369	5/22/2018			Hollander Sleep Products, LLC	Canada
I AM	Pending	1825704	3/3/2017			Hollander Sleep Products, LLC	Canada

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
LIVE COMFORTABLY	Pending	1900537	5/23/2018			Hollander Sleep Products, LLC	Canada
EVEN COOLER	Pending	1819177	1/20/2017			Hollander Sleep Products, LLC	Canada
NATURAL ELEMENTS	Pending	1819507	1/24/2017			Hollander Sleep Products, LLC	Canada
OPTITEMP	Pending	1941279	1/17/2019			Hollander Sleep Products, LLC	Canada
PACIFIC COAST FEATHER CO	Pending	1927365	10/26/2018			Hollander Sleep Products, LLC	Canada
PERFECT REST	Pending	1944398	2/4/2019			Hollander Sleep Products, LLC	Canada
POP CORNER	Pending	1928679	11/5/2018			Hollander Sleep Products, LLC	Canada

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
RESPONSIBLE LUXURY	Pending	1935556	12/12/2018			Hollander Sleep Products, LLC	Canada
RESPONSIBLE LUXURY	Pending	1948060	2/25/2019			Hollander Sleep Products, LLC	Canada
SLEEP 4 A'S	Pending	1928705	11/5/2018			Hollander Sleep Products, LLC	Canada
SMARTFLEX	Pending	1927370	10/26/2018			Hollander Sleep Products, LLC	Canada
TECHNOLOGY THAT ADAPTS TO YOUR COMFORT	Pending	1928695	11/5/2018			Hollander Sleep Products, LLC	Canada
TEMPZONE	Pending	1941283	1/17/2019			Hollander Sleep Products, LLC	Canada
TRI-COOL	Pending	1903632	6/11/2018			Hollander Sleep Products, LLC	Canada

Title	Case Status	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Owner	Country
TRI-COOL	Pending	1905773	6/22/2018			Hollander Sleep Products, LLC	Canada
WON'T GO FLAT	Pending	1810952	11/23/2016			Hollander Sleep Products, LLC	Canada

SCHEDULE 6(h)

INTELLECTUAL PROPERTY MATTERS

None.

SCHEDULE 7

NAME; CHIEF EXECUTIVE OFFICE; TAX IDENTIFICATION NUMBERS AND ORGANIZATIONAL NUMBERS

Legal Name	Chief Executive Office	Organizational Number	Federal Taxpayer Identification Number	Jurisdiction of Formation
Hollander Sleep Products, LLC	901 Yamato Rd, Suite 250 Boca Raton, Florida 33431	4707584	27-0542143	Delaware
Hollander Home Fashions Holdings, LLC	901 Yamato Rd, Suite 250 Boca Raton, Florida 33431	4707581	27-0542063	Delaware
Hollander Sleep Products Kentucky, LLC	901 Yamato Rd, Suite 250 Boca Raton, Florida 33431	5391198	90-1014119	Delaware
Dream II Holdings, LLC	330 Madison Avenue, 27th Floor New York, NY 10017	5573985	47-1927915	Delaware
Pacific Coast Feather, LLC	1964 Fourth Avenue South Seattle, WA 98134	6446302	91-0891445	Delaware
Pacific Coast Feather Cushion, LLC	7600 Industry Avenue Pico Rivera, CA 90660	6445445	93-1063119	Delaware

SCHEDULE 8

OWNED REAL PROPERTY

Loan Party	Address	County	State
Pacific Coast Feather, LLC	220 Miriam Street Henderson, NC 27536	Vance	North Carolina

SCHEDULE 9

DEPOSIT ACCOUNTS AND SECURITIES ACCOUNTS

OWNER	TYPE OF ACCOUNT	BANK OR INTERMEDIARY NAME AND ADDRESS	ACCOUNT NUMBERS	EXCLUDED Y/N
Hollander Sleep Products, LLC	Plant Payroll	Wells Fargo Bank 5131 Congress Ave Boca Raton, FL 33487	4123486169	Y
Hollander Sleep Products, LLC	Depository Account	Wells Fargo Bank 350 East Las Olas Blvd Fort Lauderdale, FL 33301	4965524234	N
Hollander Sleep Products, LLC	Operating Account	Wells Fargo Bank 350 East Las Olas Blvd Fort Lauderdale, FL 33301	4965524226	N
Hollander Sleep Products, LLC	Disbursement Account	Wells Fargo Bank 350 East Las Olas Blvd Fort Lauderdale, FL 33301	8019001471	Y
Pacific Coast Feather, LLC	Merchant Deposit	Wells Fargo Bank 5355 Town Center Road Ste 301 Boca Raton, FL 33486	4089248066	N
Dream II Holdings, LLC	US$ Depository Account - Pacific Coast Feather, LLC	Wells Fargo Bank 5355 Town Center Road Ste 301 Boca Raton, FL 33486	4218612851	Y
Dream II Holdings, LLC	US$ Depository Account - Pacific Coast Feather Cushion, LLC	Wells Fargo Bank 5355 Town Center Road Ste 301 Boca Raton, FL 33486	4249792581	Y
Dream II Holdings, LLC	Operating - Healthcomp	Wells Fargo Bank 5355 Town Center Road Ste 301 Boca Raton, FL 33486	801-9060451	Y
Pacific Coast Feather Cushion, LLC	Manual check book	Wells Fargo Bank 5355 Town Center Road Ste 301 Boca Raton, FL 33486	449-1312005	N
Pacific Coast Feather Cushion, LLC	Merchant Deposit	Wells Fargo Bank 5355 Town Center Road Ste 301 Boca Raton, FL 33486	461-10587339	N

SCHEDULE 10

CONTROLLED ACCOUNT BANKS

Schedule 9 is herein incorporated by reference, other than with respect to Excluded Deposit Accounts and Securities Accounts.

SCHEDULE 11

LIST OF UNIFORM COMMERCIAL CODE FILING JURISDICTIONS

Grantor	Jurisdiction
Hollander Sleep Products, LLC	Delaware Secretary of State
Dream II Holdings, LLC	Delaware Secretary of State
Hollander Home Fashions Holdings, LLC	Delaware Secretary of State
Hollander Sleep Products Kentucky, LLC	Delaware Secretary of State
Pacific Coast Feather, LLC	Delaware Secretary of State
Pacific Coast Feather Cushion, LLC	Delaware Secretary of State

Exhibit C to the Amended and Restated Restructuring Support and Settlement Agreement

Exit Term Loan Commitment Letter

Execution Version

CONFIDENTIAL

May 19, 2019

Hollander Sleep Products, LLC
6501 Congress Avenue
Suite 300
Boca Raton, FL 33487
Attention: Marc Pfefferle

Hollander Sleep Products, LLC
$30,000,000 New Money Exit Term Loan Facility
Exit Backstop Commitment Letter

Mr. Pfefferle:

Reference is made to:

- that certain Term Loan Credit Agreement, dated as of June 9, 2017, by and among Hollander Sleep Products, LLC ("HSP"), the guarantors party thereto, the lenders from time to time party thereto (the "Pre-Petition Term Lenders"), and Barings Finance LLC, as the administrative agent for the Pre-Petition Term Lenders (the "Pre-Petition Term Agent"), as the same may be amended, supplemented, waived or otherwise modified from time to time;

- that certain Restructuring Support Agreement, dated as of the date hereof, between HSP, the Pre-Petition Term Agent, certain of the Pre-Petition Term Lenders, and certain other parties thereto; and

- the Summary of Proposed Terms and Conditions attached hereto as Exhibit A (the "Exit Term Loan Term Sheet" and, together with this letter, the "Exit Backstop Commitment Letter").

Capitalized terms used herein without definition have the meanings assigned to such terms in the Exit Term Loan Term Sheet.

Backstop Commitments.

Each of the undersigned (collectively, the "Exit Backstop Commitment Parties" and each individually, an "Exit Backstop Commitment Party") hereby, severally but not jointly, (i) commits to provide (directly and/or through one or more of its affiliates, accounts managed or sub-managed by it or its affiliates and direct or indirect subsidiaries, each such affiliate, account subsidiary or any other lender under the Exit Term Loan Facility, as hereinafter defined, an "Exit Backstop Lender") its pro rata share (such commitment, the "Pro Rata Share Commitment") set forth on Schedule I hereto of a $30,000,000 senior secured term loan credit facility (the "New Money Exit Term Loan Facility") to HSP (the "Borrower"), which such Pro Rata Share Commitment shall be automatically increased ratably in accordance with each Exit Backstop Commitment Party's Pro Rata Share Commitment until such calculation results in the full amount of the New Money Exit Term Loan Facility being committed (the "Backstop Commitment") and (ii) commits to roll-up its portion (and the portion held by its affiliates, accounts managed or sub-

managed by it or its affiliates and direct or indirect subsidiaries) of the $28,000,000 DIP Term Loan Facility as Rolled Exit Term Loans (as defined in the Exit Term Loan Term Sheet) (the "Rollup Exit Commitment"). Each Exit Backstop Commitment Party's Backstop Commitment shall be determined as set forth in the preceding sentence on the date that is one (1) business day after the entry of the Final DIP Order; provided, however, that each Exit Backstop Commitment Party's Backstop Commitment in respect of the New Money Exit Term Loan Facility shall be reduced proportionately (based upon its Pro Rata Share Commitment) by any commitment to provide the New Money Exit Term Loan Facility that is assigned to and assumed in writing by one or more lenders on or prior to the Closing Date, subject to the provisions under "Assignments and Amendments" below.

The New Money Exit Term Loan Facility, along with the roll-up of the outstanding obligations of the Borrower under its post-petition superpriority senior secured debtor-in-possession term loan credit agreement as Rolled Exit Term Loans, are the "Exit Term Loan Facility".

Conditions Precedent.

The Exit Backstop Commitment Parties' commitments to fund the Exit Term Loan Facility (and their Rollup Exit Commitments) are subject to satisfaction or waiver by the Exit Backstop Commitment Parties of the following conditions precedent:

(i) there shall not exist any breach, violation or default under this Exit Backstop Commitment Letter;

(ii) the execution of definitive documentation evidencing the Exit Term Loan Facility on substantially the terms set forth in the Exit Term Loan Term Sheet and otherwise reasonably satisfactory to the Exit Backstop Commitment Parties and you;

(iii) HSP shall have filed, no later than 10 days after the commencement of the Chapter 11 Cases, a motion in the Chapter 11 Cases seeking approval of the Bankruptcy Court to assume this Exit Backstop Commitment Letter and to authorize the payment of all fees set forth in the Fee Letter (as defined below).

(iv) the Bankruptcy Court shall have entered, no later than 40 days after the scheduled first day hearing in the Chapter 11 Cases, an order approving the assumption of this Exit Backstop Commitment Letter and authorizing the payment of all fees set forth in the Fee Letter;

(v) no later than the date the Bankruptcy Court enters an order confirming a plan of reorganization in the Bankruptcy Cases, HSP shall have entered into a commitment letter reasonably acceptable to the Exit Backstop Commitment Parties with respect to the funding of an exit asset-backed credit facility;

(vi) payment of all fees then due and owing pursuant to this Exit Backstop Commitment Letter, the Fee Letter, and any other fees agreed to in writing by the Debtors and the Exit Backstop Commitment Parties in connection with the Exit Term Loan Facility; and

(vii) the satisfaction of (or express written waiver by each of the Exit Backstop Commitment Parties of) each of the conditions set forth under the section

heading "Conditions Precedent to the Closing of the Exit Term Loan Facility" set forth in the Exit Term Loan Term Sheet.

Expenses.

Regardless of whether the Exit Term Loan Facility closes, you hereby agree to pay or reimburse the Exit Backstop Commitment Parties for all reasonable and documented out-of-pocket expenses incurred by the Exit Backstop Commitment Parties, their affiliates or funds managed or sub-managed by the Exit Backstop Commitment Parties (whether incurred before or after the date hereof) in connection with the Exit Term Loan Facility (including, but not limited to, (a) all reasonable costs and out-of-pocket expenses of one primary legal counsel and, if necessary, one local counsel in all appropriate jurisdictions for all Exit Backstop Commitment Parties), and (b) all reasonable and documented costs and out-of-pocket expenses of one financial advisor (if any) for all Exit Backstop Commitment Parties).

Confidentiality.

You agree that you will not disclose, directly or indirectly, this Exit Backstop Commitment Letter and the contents hereof or the Fee Letter dated as of the date hereof (the "Fee Letter") among the Exit Backstop Commitment Parties and the Borrower and the contents thereof or the Exit Backstop Commitment Parties' involvement with the Exit Term Loan Facility to any third party (including, without limitation, any financial institution or intermediary) without each Exit Backstop Commitment Party's prior written consent, other than to (a) those individuals who are your directors, officers, employees, attorneys, agents or advisors in connection with the Exit Term Loan Facility; provided that this Exit Backstop Commitment Letter may be disclosed to (i) Sentinel Capital Partners, L.L.C. and its affiliates, and its directors, officers, employees, attorneys, agents and advisors, and (ii) to the providers of your debtor-in-possession asset-backed revolving credit facility in the Chapter 11 Cases and to the providers of any asset-backed revolving credit facility to be provided to the Borrower upon emerging from bankruptcy and their officers, employees, attorneys, agents and advisors, in each case on a confidential basis (it being understood any such disclosure pursuant to this clause (a)(ii) shall be limited to a general description of the fees to be paid and does not authorize the distribution of the Fee Letter to such persons), (b) the Bankruptcy Court (as defined in the DIP Term Loan Credit Agreement) for approval of this Exit Backstop Commitment Letter, (c) any official committee appointed in the Chapter 11 Cases and their respective legal and financial advisers, (d) as may be compelled in a judicial or administrative proceeding or as otherwise required by law (in which case you agree to inform the Exit Backstop Commitment Parties promptly thereof), (e) to the extent necessary in connection with the exercise of any remedies or enforcement of any rights hereunder and (f) other recipients as required by the Bankruptcy Court, or as part of the Borrower and its subsidiaries' disclosure statement soliciting votes in support of a plan of reorganization, whether before or after the commencement of the Chapter 11 Cases (it being understood any such disclosure pursuant to this clause (f) shall be limited to a general description of the fees to be paid in the Borrower's solicitation materials and does not authorize the distribution, filing with the Bankruptcy Court, or other action that results in the Fee Letter being made available to such other recipients). Except in connection with the disclosure statement soliciting votes in support of a plan of reorganization, you agree to inform all such persons who receive information concerning this Exit Backstop Commitment Letter or the Fee Letter that such information is confidential and may not be used for any other purpose. The Exit Backstop Commitment Parties reserve the right to review and approve, in advance, all materials, press releases, advertisements and disclosures that contain their name or any name of any affiliate or the name of any account managed or sub-

managed by, or any related fund of, the Exit Backstop Commitment Parties or describe their respective financing commitments (such approval not to be unreasonably withheld, delayed or conditioned).

The Borrower hereby agrees that if the Fee Letter is required to be filed with any bankruptcy court or disclosed to any U.S. Trustee for purposes of obtaining approval to pay any fees provided for therein or otherwise, then it shall promptly notify the Exit Backstop Commitment Parties and take all commercially reasonable actions necessary to prevent the Fee Letter from becoming publicly available, including, without limitation, filing a motion pursuant to sections 105(a) and 107(b) of the Bankruptcy Code and Rule 9018 of the Federal Rules of Bankruptcy Procedure seeking a bankruptcy court order authorizing the Borrower to file the Fee Letter under seal to the maximum extent permitted by applicable law; provided, however, that if the applicable bankruptcy court or applicable law does not permit such filing under seal, then any such filing shall be redacted to the maximum extent permitted by such bankruptcy court and such law. Notwithstanding the "Survival" section herein, the obligations of the foregoing sentence shall survive any termination or completion of the arrangement provided by this Exit Backstop Commitment Letter.

Indemnity.

Regardless of whether the Exit Term Loan Facility closes or is closed, you agree to (a) indemnify, defend and hold each of the Exit Backstop Commitment Parties, and their respective affiliates and funds managed or advised by the Exit Backstop Commitment Parties or their affiliates and the principals, directors, officers, employees, representatives, agents, attorneys and third party advisors of each of them (each, an "Indemnified Person"), harmless from and against all losses, disputes, claims, investigations, litigation, proceedings, expenses (including, but not limited to, attorneys' fees), damages, and liabilities of any kind to which any Indemnified Person may become subject arising out of or in connection with any claim, litigation, investigation or proceeding (any of the foregoing, a "Proceeding") relating to or in connection with this Exit Backstop Commitment Letter, the Fee Letter, the Exit Term Loan Facility, the use or the proposed use of the proceeds thereof, or any other transaction contemplated by this Exit Backstop Commitment Letter (each, a "Claim", and collectively, the "Claims"), regardless of whether such Indemnified Person is a party thereto (and regardless of whether such matter is initiated by a third party, you, or any of your or its respective affiliates), and (b) reimburse each Indemnified Person upon demand (together with reasonably detailed backup documentation in summary form supporting such demand) for all reasonable and documented legal and other out-of-pocket expenses incurred in connection with investigating, preparing to defend or defending, or providing evidence in or preparing to serve or serving as a witness with respect to, any Proceeding (each, an "Expense") by one counsel to the Indemnified Persons taken as a whole and, if necessary, one firm of local counsel in each appropriate jurisdiction to the Indemnified Persons taken as a whole, and, in the case of an actual conflict of interest, one additional counsel to the affected Indemnified Persons taken as a whole; provided that no Indemnified Person shall be entitled to indemnity hereunder in respect of any Claim or Expense to the extent that the same (i) is found by a final, non-appealable judgment of a court of competent jurisdiction to have resulted from the gross negligence, willful misconduct or bad faith of such Indemnified Person or any of its affiliates and their principals, directors, officers, employees, representatives, agents, attorneys or third party advisors, (ii) is found by a final, non-appealable judgment of a court of competent jurisdiction to have resulted from a material breach of the obligations of such Indemnified Person or any of its affiliates and their principals, directors, officers, employees, representatives, agents, attorneys or third party advisors under this Exit Backstop Commitment Letter or (iii) arises from any dispute among Indemnified Persons that does not involve or relate

to an act or omission by you and that is brought by an Indemnified Person against another Indemnified Person. Notwithstanding any other provision of this Exit Backstop Commitment Letter, and without limitation of your indemnification and reimbursement obligations set forth herein, no party hereto shall be liable for any special, indirect, consequential or punitive damages in connection with the Exit Term Loan Facilities, this Exit Backstop Commitment Letter, the Exit Term Loan Term Sheet, the Fee Letter or any other transaction contemplated hereby or thereby; provided that this foregoing sentence shall not limit your indemnity obligations to the extent set forth above in respect of any actual Claims and Expenses incurred or paid by an Indemnified Person to a third party unaffiliated with the Exit Backstop Commitment Parties that are otherwise required to be indemnified in accordance with the terms hereof.

Furthermore, you hereby acknowledge and agree that the use of electronic transmission is not necessarily secure and that there are risks associated with such use, including risks of interception, disclosure and abuse. You agree to assume and accept such risks and hereby authorize the use of transmission of electronic transmissions, and that none of the Exit Backstop Commitment Parties nor any of their respective affiliates will have any liability for any damages arising from the use of such electronic transmission systems, except to the extent such damages have been found by a final, non-appealable judgment of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of such Exit Backstop Commitment Party or any of its affiliates and their principals, directors, officers, employees, representatives, agents, attorneys or third party advisors.

Notwithstanding the above, (a) you shall not be liable for any settlement of any Proceedings effected without your consent (which consent shall not be unreasonably conditioned, withheld or delayed), but if settled with your written consent or if there is a judgment for the plaintiff against any Indemnified Person in any such Proceedings, you agree to indemnify and hold harmless each Indemnified Person from and against any and all Claims and Expenses by reason of such settlement or judgment in accordance with this section and (b) each Indemnified Person shall be obligated to refund or return any and all amounts paid by you under the preceding paragraph to such Indemnified Person for any losses, claims, damages liabilities or expenses to the extent such Indemnified Person is not entitled to payment of such amounts in accordance with the terms hereof. You shall not, without the prior written consent of an Indemnified Person (which consent shall not be unreasonably conditioned, withheld or delayed), effect any settlement or consent to the entry of any judgment of any pending or threatened Proceedings in respect of which indemnity could have been sought hereunder by such Indemnified Person unless such settlement (i) includes an unconditional release of such Indemnified Person from all liability or claims that are the subject matter of such Proceedings, (ii) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnified Person and (iii) contains customary confidentiality and nondisparagement provisions.

In the event that an Indemnified Person is requested or required to appear as a witness in any action brought by or on behalf of or against you or any of your subsidiaries or affiliates in which such Indemnified Person is not named as a defendant, or a demand to produce documents or otherwise respond to discovery requests is made on an Indemnified Person, you agree to reimburse such Indemnified Person for all reasonable expenses incurred by it in connection with such Indemnified Person's appearing and preparing to appear as such a witness, including, without limitation, the reasonable fees and expenses of its legal counsel.

Sharing Information; Absence of Fiduciary Relationship.

You acknowledge that the Exit Backstop Commitment Parties and their respective affiliates may be providing debt financing, equity capital or other services to other companies with which you may have conflicting interests. Neither the Exit Backstop Commitment Parties nor any of their affiliates will use confidential information obtained from you by virtue of the transactions contemplated by this Exit Backstop Commitment Letter or its other relationships with you in connection with the performance by it of services for other persons, and neither the Exit Backstop Commitment Parties nor any of their affiliates will furnish any such information to other persons except as permitted under the "Confidentiality" section herein. You further acknowledge and agree that (a) no fiduciary, advisory or agency relationship between you and any of the Exit Backstop Commitment Parties has been or will be created in respect of any of the transactions contemplated by this Exit Backstop Commitment Letter, irrespective of whether the Exit Backstop Commitment Parties and/or their respective affiliates have advised or are advising you on other matters and (b) you will not assert any claim against any of the Exit Backstop Commitment Parties for breach or alleged breach of fiduciary duty in respect of any of the transactions contemplated by this Exit Backstop Commitment Letter and agree that none of the Exit Backstop Commitment Parties shall have any direct or indirect liability to you in respect of such a fiduciary duty claim or to any person asserting a fiduciary duty claim on behalf of or in right of you, including your stockholders, employees or creditors.

Assignments and Amendments.

This Exit Backstop Commitment Letter shall not be assignable by you without the prior written consent of each of the Exit Backstop Commitment Parties (and any purported assignment without such consent shall be null and void), and is solely for the benefit of the parties hereto and is not intended to confer any benefits upon, or create any rights in favor of, any person other than the parties hereto and the Indemnified Persons. The Exit Backstop Commitment Parties may assign their respective commitments hereunder, in whole or in part, (i) to any of their affiliates, any funds or accounts managed, advised, sub-managed or sub-advised by them or their affiliates, or (ii) subject to the prior written consent of the Borrower (such consent not to be unreasonably withheld or delayed) to any prospective lender under the Exit Term Loan Facility; provided that, (unless such assignee enters into a separate letter agreement with you affirming its commitments on the same terms as set forth herein with respect to such assigned portion of the commitments (such agreement not to be unreasonably conditioned, withheld or delayed by you)), any such assignment shall not release them of the obligations hereunder and each Exit Backstop Commitment Party shall retain exclusive control over all rights and obligations with respect to its commitments hereunder, including all rights with respect to consents, modifications, supplements, waivers and amendments, until after the closing and funding of the Exit Term Loan Facility has occurred. This Exit Backstop Commitment Letter may not be amended or waived except in a written instrument signed by you and the Exit Backstop Commitment Parties.

Counterparts and Governing Law.

This Exit Backstop Commitment Letter may be executed in counterparts, each of which shall be deemed an original and all of which counterparts shall constitute one and the same document. Delivery of an executed signature page of this Exit Backstop Commitment Letter by facsimile or electronic (including "PDF") transmission shall be effective as delivery of a manually executed counterpart hereof.

The laws of the State of New York shall govern all matters arising out of, in connection with or relating to this Exit Backstop Commitment Letter, including, without limitation, its validity,

interpretation, construction, performance and enforcement and any claims sounding in contract law or tort law arising out of the subject matter hereof.

Venue and Submission to Jurisdiction.

The parties hereto consent and agree that the federal bankruptcy court located in the Southern District of New York, shall have exclusive jurisdiction to hear and determine any claims or disputes between or among any of the parties hereto pertaining to this Exit Backstop Commitment Letter and the Fee Letter, any other transaction relating hereto or thereto, and any investigation, litigation, or proceeding in connection with, related to or arising out of any such matters or, if that court does not have subject matter jurisdiction, then the U.S. District Court for the Southern District of New York shall have such exclusive jurisdiction or, if that court does not have subject matter jurisdiction, then any state court located in New York County, State of New York shall have such exclusive jurisdiction; provided, that the parties hereto acknowledge that any appeal from those courts may have to be heard by a court located outside of such jurisdiction. The parties hereto expressly submit and consent in advance to such jurisdiction in any action or suit commenced in any such court, and hereby waive any objection, which each of the parties may have based upon lack of personal jurisdiction, improper venue or inconvenient forum.

Waiver of Jury Trial.

THE PARTIES HERETO, TO THE EXTENT PERMITTED BY LAW, WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT, OR PROCEEDING ARISING OUT OF, IN CONNECTION WITH OR RELATING TO, THIS EXIT BACKSTOP COMMITMENT LETTER, THE FEE LETTER, AND ANY OTHER TRANSACTION RELATED HERETO OR THERETO. THIS WAIVER APPLIES TO ANY ACTION, SUIT OR PROCEEDING WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE.

Survival.

The provisions of this letter set forth under this heading and the headings "Expenses", "Confidentiality", "Indemnity", "Sharing Information; Absence of Fiduciary Relationship", "Assignments and Amendments", "Counterparts and Governing Law", "Venue and Submission to Jurisdiction" and "Waiver of Jury Trial" shall survive the termination or expiration of this Exit Backstop Commitment Letter and shall remain in full force and effect regardless of whether the Exit Term Loan Facility is closed or the credit documentation with respect to the Exit Term Loan Facility shall be executed and delivered; provided that if the Exit Term Loan Facility is closed and the credit documentation with respect to the Exit Term Loan Facility shall be executed and delivered, the provisions under the heading "Expenses", "Confidentiality", "Indemnity", and "Sharing Information; Absence of Fiduciary Relationship" shall be superseded and deemed replaced by the terms of the credit documentation with respect to the Exit Term Loan Facility governing such matters.

Integration.

This Exit Backstop Commitment Letter and the Fee Letter supersede any and all discussions, negotiations, understandings or agreements, written or oral, express or implied, between or among the parties hereto and their affiliates as to the subject matter hereof.

Patriot Act.

The Exit Backstop Commitment Parties hereby notify you that pursuant to the requirements of the USA PATRIOT Act, Title III of Pub. L. 107-56 (signed into law October 26, 2001) (the "PATRIOT Act"), each Exit Backstop Lender may be required to obtain, verify and record information that identifies the Borrower and each guarantor, which information includes the name, address, tax identification number and other information regarding the Borrower and each guarantor that will allow such Exit Backstop Lender to identify the Borrower and each guarantor in accordance with the PATRIOT Act. This notice is given in accordance with the requirements of the PATRIOT Act and is effective as to each Exit Backstop Lender.

Please indicate your acceptance of the terms hereof by signing in the appropriate space below. Unless extended in writing by the Exit Backstop Commitment Parties, the commitments and agreements of the Exit Backstop Parties contained herein (subject to the provisions under the heading "Survival") shall automatically expire on the first to occur of (a) 5:00 p.m. New York time on October 17, 2019, and (b) execution and delivery of the credit documentation with respect to the Exit Term Loan Facility and funding and/or roll-up of the Exit Term Loan Facility.

Very truly yours,

CERTAIN FUNDS AND INVESTMENT ACCOUNTS MANAGED BY BARINGS LLC

By: [redacted]
Name:
Title:

PENNANTPARK INVESTMENT CORPORATION

By: [redacted]
Name:
Title:

PENNANTPARK FLOATING RATE FUNDING I, LLC

By: [redacted]
Name:
Title:

PENNANTPARK CREDIT OPPORTUNITIES FUND II, LP

By: [redacted]
Name:
Title:

Accepted and agreed to as of
the date first written above:

HOLLANDER SLEEP PRODUCTS, LLC

By:_____
Name: Marc L. Pfefferle
Title: Chief Executive Officer

Schedule I

Exit Backstop Lender	Pro Rata Share Commitment for New Money Exit Term Loan Facility
Barings	[redacted]
PennantPark Investment Corporation	
Total	**100.0%**

EXHIBIT A

[Exit Term Loan Term Sheet]

HOLLANDER SLEEP PRODUCTS, LLC, et al.
EXIT TERM FACILITY TERM SHEET

Capitalized terms used but not defined in this Exhibit A (this "Term Sheet") shall have the meanings ascribed thereto in the Commitment Letter to which this Exhibit A is attached (the "Commitment Letter"). In the case of any such capitalized term that is subject to multiple and differing definitions, the appropriate meaning thereof in this Exhibit A shall be determined by reference to the context in which it is used.[1]

Borrower:	Hollander Sleep Products, LLC, as a reorganized debtor (the "Borrower") upon emergence from a case filed under Chapter 11 of Title 11 of the United States Code ("Chapter 11") in the United States Bankruptcy Court for the Southern District of New York (together with the Chapter 11 cases (collectively, the "Chapter 11 Cases") of the Borrower's affiliated debtors and debtors in possession (collectively with the Borrower, the "Debtors").
Guarantors:	Each of (i) the Borrower's existing and future direct and indirect domestic subsidiaries, (ii) all Guarantors (each as a reorganized debtor) under the Prepetition Term Loan Credit Agreement and other Loan Documents (collectively, the "Prepetition Term Loan Documents"), and (iii) any holding company or other parent directly holding the equity interests in Borrower (other than any entity or other vehicle established by the lenders who are granted the equity interests in the reorganized Loan Parties pursuant to the approved plan of reorganization for the Debtors in the Chapter 11 Cases) ((i), (ii) and (iii) collectively, the "Guarantors"; together with the Borrower, each individually a "Loan Party", and collectively, the "Loan Parties"), on a joint and several basis. Exclusions for newly formed or acquired subsidiaries after the Closing Date (as defined below) shall be consistent with the Documentation Principles (as defined below).
Exit Term Loan Agent:	Barings Finance LLC (in such capacity, together with its successors

[1] Reference is hereby made (i) to that certain Term Loan Credit Agreement dated as of June 9, 2017 by and among Dream II Holdings, LLC and Hollander Home Fashions Holdings, LLC, as parent guarantors, Hollander Sleep Products, LLC, as borrower, the lenders parties thereto (the "Prepetition Term Loan Lenders"), and Barings Finance LLC, as administrative agent (as amended, modified, restated or otherwise supplemented from time to time, the "Prepetition Term Loan Credit Agreement"), (ii) that certain Third Amended and Restated Credit Agreement dated as of June 9, 2017 by and among Wells Fargo Bank, National Association, as agent, sole lead arranger and sole book runner, the lenders parties thereto, Dream II Holdings, LLC as parent, and Hollander Home Fashions Holdings, LLC, Hollander Sleep Products, LLC, Hollander Sleep Products Kentucky, LLC, Hollander Sleep Products Canada Limited, Pacific Coast Feather Company, and Pacific Coast Feather Cushion Co., as borrowers (as amended, modified, restated or otherwise supplemented from time to time, the "Prepetition ABL Credit Agreement") and (iii) that certain Intercreditor Agreement dated as of June 9, 2017 between the agents to the Prepetition Term Loan and ABL Credit Agreements (the "Prepetition ICA"). Capitalized terms use, but not defined herein, shall have the meanings ascribed to such terms in the Prepetition Term Loan Credit Agreement.

and assigns, the "Exit Term Loan Agent").

Exit Lenders: Barings Finance LLC and the other Exit Backstop Commitment Parties, together with any other lenders under the debtor-in-possession term loan credit agreement (the "DIP Term Loan Credit Agreement," the facility thereunder, the "DIP Term Loan Facility," and the lenders thereto, the "DIP Term Loan Lenders") who choose, directly or through one or more affiliated funds or financing vehicles (or funds or accounts advised or sub-advised by such person) to finance their respective pro rata portion of the Exit Term Loan Facility (as defined below) (the "Exit Lenders"; and together with the Exit Backstop Commitment Parties, the "Exit Term Loan Lenders").

Type and Amount of the Exit Term Loan Facility: A non-amortizing senior secured first-lien term loan facility in an aggregate principal amount not to exceed $58 million (the "Exit Term Loan Facility"; the loans under the Exit Term Loan Facility, the "Exit Term Loans") comprised of a $28 million roll-up and/or refinancing of the outstanding DIP Term Loan Facility (the "Rolled Exit Term Loans") and $30 million of "new money" Exit Term Loans (the "New Money Exit Term Loans" and the facility related thereto, the "New Money Exit Term Loan Facility") to be advanced on the Closing Date. The Rolled Exit Term Loans shall rank pari passu to the New Money Exit Term Loans.

The full amount of the New Money Exit Term Loans shall be drawn on the Closing Date.

Maturity Date: 36 month anniversary of the closing date (the "Closing Date") of the Exit Term Loan Facility.

Exit ABL Facility A senior secured first-lien exit asset-based-lending facility to be supplied (the "Exit ABL Facility")[2] to the borrowers under the Prepetition ABL Credit Agreement, the terms of which shall be reasonably acceptable to the Exit Term Loan Agent and Exit Backstop Commitment Parties. The Exit ABL Facility shall provide for (i) either (x) a roll-up of obligations under the DIP ABL Facility (including all obligations relating to letters of credit and bank product obligations) or (y) a refinancing and replacement of the DIP ABL Facility, and (ii) a roll-up of the $15,000,000 principal amount of obligations representing Last Out DIP Obligations (as defined in the DIP Term Loan Credit Agreement). Upon the Closing Date, the Last Out DIP Obligations shall be "rolled" into the Exit ABL Facility on the terms set forth therein and herein, including the same priority and security interests

[2] The credit agreement evidencing the DIP ABL Facility, the "DIP ABL Credit Agreement," and the DIP ABL Credit Agreement together with the other documents evidencing the DIP ABL Facility, the "DIP ABL Documents".

with respect to the ABL Priority Collateral and Term Loan Priority Collateral as existed pursuant to the Prepetition ICA.

Use of Proceeds: The proceeds of the Exit Term Loans (other than roll-up of the DIP Term Loan Facility) will be used to fund certain payments required to be made by the Loan Parties under the Plan, the Exit Term Loan Credit Agreement (as defined below) and the DIP Term Loan Credit Agreement, to pay fees and expenses in connection with the transactions occurring on the effective date of the Plan and for working capital and general corporate purposes of the Loan Parties (including, without limitation certain capital expenditures). Once repaid, the Exit Term Loans may not be reborrowed.

Documentation: The Exit Term Loan Facility will be evidenced by a credit agreement (the "Exit Term Loan Credit Agreement"), security documents, guarantees, an intercreditor agreement with the agent for any Exit ABL Facility (the "Exit Intercreditor Agreement") and other legal documentation (collectively, together with the Exit Term Credit Agreement, the "Exit Term Loan Documents") containing the terms set forth in the Commitment Letter to which this Term Sheet is attached, including this Term Sheet, and such other terms as the Borrower and the Exit Term Loan Agent shall agree; it being understood and agreed that the Exit Term Loan Documents shall: (a) be substantially similar to the definitive documentation for the DIP Term Loan Credit Agreement (excluding provisions customary for DIP financings and not exit financings), (b) give due regard to (i) the operational requirements of the Loan Parties in light of their consolidated capital structure, size, industries, businesses and business practices (including, without limitation, the leverage profile and projected free cash flow generation of the Loan Parties), in each case, after giving effect to the Plan Effective Date, and (ii) the operational and administrative changes mutually agreed by the Exit Term Loan Agent and the Borrower, (c) not be subject to any conditions to the availability and initial funding of the Credit Facilities on the Closing Date other than the conditions set forth in the Commitment Letter and the Exclusive Funding Conditions set forth herein, and (d) to contain representations & warranties, affirmative covenants, negative covenants and other terms substantially similar to those in the DIP Term Loan Credit Agreement (excluding provisions customary for DIP financings and not exit financings) with mutually agreed changes (including those set forth herein), including without limitation to conform to customary terms for exit financings and give due regard to the operational requirements of the Loan Parties in light of their consolidated capital structure, size, industry, business and business practices (including, without limitation, the leverage profile and projected free cash flow generation). The foregoing requirements and principles shall be referred to herein as the "Documentation

Principles".

Interest: LIBOR + 15.0% (1.0% payable in cash, with the balance payable in kind).

Automatically upon the occurrence of and during the continuance of a payment or bankruptcy default or event of default under the Exit Term Loan Documents, and after written notice from the Exit Term Loan Agent or the Required Lenders (as defined below) upon the occurrence of and during the continuance of any other default or an event of default under the Exit Term Loan Documents, the Exit Term Loans will bear interest at an additional 2.0% *per annum* payable in cash.

Fees: As set forth in the Fee Letter, and:

Upfront Fee: An upfront fee of 3.0% (initially) of the amount of the New Money Exit Term Loans, payable in cash or OID on the Closing Date concurrently with funding of the New Money Exit Term Loans, for those DIP Term Loan Lenders that commit to become (and fund as) Exit Lenders by no later than one (1) business day after the entry of the Final Order (as defined in the DIP Term Loan Credit Agreement); thereafter, the Upfront Fee will decrease sequentially during the pendency of the Chapter 11 Cases at specified dates to be determined by the Exit Backstop Commitment Parties and the Borrower to reflect the changing risk profile; and

Administrative Agency Fee: An annual administrative agency fee of $50,000 payable in cash to Exit Term Loan Agent, in such capacity, on the Closing Date concurrently with funding of the New Money Exit Term Loans, and on each anniversary of the Closing Date.

Exit Equity Allocation Exit Equity Allocation: In exchange for providing the Exit Term Loan Facility on the Closing Date (in addition to other consideration provided herein), each Exit Term Loan Lender shall receive (on the Closing Date or as promptly as practicable thereafter) its pro rata portion (based on the percentages of their respective New Money Exit Term Loans as compared to all New Money Exit Term Loans) of 40.0% of the equity of reorganized Debtor Hollander Sleep Products, LLC.

Priority and Security under Exit Term Facility: All obligations of the Loan Parties to the Exit Term Loan Agent and the Exit Term Loan Lenders under the Exit Term Loan Facility, including, without limitation, all principal, accrued interest, premiums (if any), costs, fees and expenses or other amounts due thereunder (collectively, the "Exit Term Loan Obligations"), shall be secured by

	liens and security interests on the same collateral as provided under the Prepetition Term Loan Documents, with the same priority on such collateral as provided under the Prepetition Term Loan Documents.[3] The Exit Term Loan Obligations shall be subject to the Exit Intercreditor Agreement, which shall be substantially similar to the Prepetition ICA.
Mandatory Prepayments:	Customary mandatory prepayment events for financings of this type and that are no less favorable to the Exit Term Loan Lenders as the mandatory prepayment provisions set forth in the Prepetition Term Loan Credit Agreement, and such other mandatory prepayments as may be agreed to by the parties.
Amortization:	None
Conditions Precedent to the Closing of the Exit Term Loan Facility:	The conditions precedent for the effectiveness and funding of the Exit Term Loan Credit Agreement will be limited to: (a) those conditions set forth in the Commitment Letter under the heading "Conditions Precedent", (b) conditions precedent substantially similar to (to the extent applicable and appropriate) the conditions contained in the Prepetition Term Loan Credit Agreement, (c) such other customary conditions for similar committed exit financing as are mutually acceptable to the Exit Term Loan Lenders and the Borrower (such acceptance, in each case, not to be unreasonably withheld, delayed or conditioned), and (d) the following: • The confirmation of a Plan (including plan supplements, if any) in terms and substance satisfactory to the Exit Term Loan Agent (such satisfaction not to be unreasonably withheld, delayed or conditioned; it being understood that the form of the Plan attached to the Restructuring Support Agreement (as defined in the DIP Term Loan Credit Agreement) is satisfactory to Exit Term Loan Agent) by the Bankruptcy Court and the occurrence of the "effective date" under the Plan (the "Plan Effective Date") by the final scheduled maturity date under the DIP Term Loan Credit Agreement or such later date acceptable to the Exit Backstop Commitment Parties; • All fees required to be paid pursuant to the Fee Letter shall have been timely paid in accordance with the terms of the Fee Letter; • Adherence with all Milestones (as defined in the DIP Term Loan Credit Agreement), which shall be acceptable to the Exit Term Loan Lenders (other than those Milestones related to

[3] Collateral to also include a pledge of equity interests in the Borrower by any holding company or other parent holding the equity interests in Borrower.

bidding procedures and prosecution of a sale), except as otherwise agreed in writing by the Exit Term Loan Agent and Exit Backstop Commitment Parties;

- The procurement of the Exit ABL Facility on terms acceptable to the Exit Term Loan Agent and Exit Backstop Commitment Parties (such acceptance not to be unreasonably withheld, delayed or conditioned);
- Immediately prior to the Closing Date, the Restructuring Support Agreement shall not have been terminated by any party;
- The Exit Term Loan Agent's consent to any amendment or supplements related to the Plan (such consent not to be unreasonably withheld, delayed or conditioned; it being understood that the form of the Plan attached to the Restructuring Support Agreement is acceptable to the Exit Term Loan Agent and Exit Backstop Commitment Parties);
- Adherence with the Approved Budget (as defined in the DIP Term Loan Credit Agreement), subject to variances permitted by the DIP Term Loan Credit Agreement or otherwise agreed in writing by the Exit Term Loan Agent and Exit Backstop Commitment Parties, including all covenants related thereto and all limitations on professional fees of the Debtors and any official committee of unsecured creditors appointed in the Chapter 11 Cases;
- Adherence to any limitations on outstanding obligations under the Exit ABL Facility;
- Delivery of an operating and cash flow forecast and an operational restructuring plan, in each case, as reasonably acceptable to the Exit Term Loan Agent and Exit Backstop Commitment Parties;
- Opening borrowing availability calculations under the Exit ABL Facility reasonably acceptable to Exit Term Loan Agent; and
- The representations and warranties set forth in the Exit Term Loan Documents shall be accurate in all material respects as of the Closing Date.

In furtherance of the foregoing, (a) the only conditions (express or implied) to the availability of the Exit Term Loan Facility on the Closing Date are those expressly set forth under this heading (collectively, the "Exclusive Funding Conditions"), and the Exclusive Funding Conditions shall be subject in all respects to the provisions of this paragraph, and (b) the terms of the Exit Term Loan Documents and other documents to be delivered on the Closing Date shall be in a form such that they do not impair availability of the Exit Term Loans on the Closing Date, or the initial funding thereunder on the Closing Date, in

each case if the Exclusive Funding Conditions are satisfied or waived by each exit Backstop Commitment Party (it being understood that to the extent any security interest in any collateral (including the creation or perfection of any such security interest) (other than the pledge and perfection of the security interests in assets with respect to which a lien may be perfected by the filing of a financing statement under the Uniform Commercial Code) is not or cannot be provided or perfected on the Closing Date after the Loan Parties' use of commercially reasonable efforts to do so, or without undue burden or expense, the creation or perfection of such security interest therein) shall not constitute a condition precedent to the availability of the Exit Term Loan Facility on the Closing Date but shall instead be required to be delivered or provided and perfected within 90 days after the Closing Date (or such later date as may be agreed by the Exit Term Loan Agent in its reasonable discretion) pursuant to arrangements to be mutually agreed by the Exit Term Loan Agent and the Borrower. Without limitation of the foregoing, the commitments of each Exit Term Loan Lender to provide the Exit Term Loan Facility on the Closing Date are subject solely to the Exclusive Funding Conditions and upon the satisfaction (or waiver by the Exit Backstop Commitment Parties) of such conditions, the initial funding of the Exit Term Loan Facility shall occur. There are no conditions (implied or otherwise) to the commitments hereunder, and there will be no conditions (implied or otherwise) under the Exit Term Loan Documents to the funding of the Exit Term Loans on the Closing Date, including compliance with the terms of this Commitment Letter, the Fee Letter and the Exit Term Loan Documents or any other agreement, in each case other than the satisfaction (or waiver by the Exit Term Loan Lenders) of the Exclusive Funding Conditions.

Affirmative and Negative Covenants: The definitive Exit Term Loan Documents will contain affirmative and negative covenants that are consistent with the Documentation Principles and no less favorable to the Exit Term Loan Lenders than those existing in the Prepetition Term Loan Credit Agreement, with certain modifications to be mutually agreed by the Exit Term Loan Lenders and the Borrower (such acceptance, in each case, not to be unreasonably withheld, delayed or conditioned), including, without limitation, modifications to the amount of permitted indebtedness, permitted liens, permitted investments, restricted payments, asset dispositions, junior debt and affiliate transactions.

Financial Covenants: The definitive Exit Term Loan Documents will contain financial covenants and other additional business key performance indicators acceptable to the Exit Term Loan Lenders and the Borrower (such acceptance, in each case, not to be unreasonably withheld, delayed or conditioned).

Events of Default	The Exit Term Loan Credit Agreement will contain customary events of default for financings of this type consistent with the Documentation Principles, and additional events of default as may be mutually acceptable to the Exit Term Loan Lenders and the Borrower (such acceptance, in each case, not to be unreasonably withheld, delayed or conditioned).
Additional Provisions	The Exit Term Loan Credit Agreement will contain customary representations and warranties, indemnification, expense reimbursement and yield protection provisions, assignment and assumption terms and waiver of jury trial substantially similar to the corresponding terms in the Prepetition Term Loan Credit Agreement, with such modifications as deemed by the Exit Term Loan Lenders in their discretion to be appropriate.
Required Lenders:	Exit Term Loan Lenders holding more than 50.0% of the outstanding Exit Term Loans (the "Required Lenders") except as to matters requiring unanimity/supermajority or affected lenders under the Exit Term Loan Credit Agreement.
Removal of Exit Term Loan Lenders:	The Required Lenders and the Borrower shall have the right to cause any Exit Term Loan Lender (under certain customary "defaulting" lender and other situations consistent with the Prepetition Term Loan Credit Agreement) to assign its Exit Term Loans and other Exit Term Loan Obligations to one or more existing Exit Term Loan Lenders.
Governing Law:	The laws of the State of New York.
Counsel to the Exit Term Loan Agent:	King & Spalding LLP

Exhibit D to the Amended and Restated Restructuring Support and Settlement Agreement

Settlement Term Sheet

In re Hollander Sleep Products, LLC, *et al.*, Case No. 19-11608 (MEW) (Bankr. S.D.N.Y.)

SETTLEMENT COMMUNICATIONS -- SUBJECT TO FRE 408 AND RULES OF SIMILAR IMPORT

Official Committee of Unsecured Creditors – Settlement Proposal Chart

	Item:	Term Lender Proposal – Round 6 (current)
1.	Cash consideration from Term Loan Lenders	**In the event of a reorganization** $500,000 cash to GUC Trust (which shall not be available to any vendor who agrees to the Support Incentive (defined below)) **Plus Optional Support Incentive**: For each vendor (each being a "Supporting Vendor") who agrees at the request of the Company (in the Company's sole discretion) to provide standard prepetition trade credit to the Reorganized Debtors for 12 months on the most favorable terms extended by the Supporting Vendor in the 12 months prepetition (but in no event less than 60- day terms), (a) (i) a payment of 3.0% of the average outstanding payable balance for the 12 month period beginning on the Effective Date of a Plan, payment to be made in 6 monthly installments to such Supporting Vendor; plus (ii) 1% of such Supporting Vendor's allowed prepetition general unsecured claim; or (b) in lieu of (i) and (ii) (in the Company's sole discretion) a letter of credit from the Company backing the payment of the moving average outstanding payable balance for the 12 month period beginning on the Effective Date of a Plan ((a) or (b) the "Support Incentive"). **Plus Sale Consideration**: 5% of each dollar the TL Lenders recover above a 30% recovery for the holders of Allowed Term Loan Claims based on the full amount of such holder's Allowed Term Loan Claim (after payment in full of any DIP and Exit claims), if the reorganized debtors are sold within 24 months of the Effective Date of a Plan; **If a sale is consummated through the current Chapter 11 case**: $600,000 cash to the GUC Trust **Plus Sale Consideration**: (i) 5% of each dollar above a 30% Term Loan Lender recovery on the aggregate of their prepetition Term Loan; and (ii) 7.5% of each dollar above a 50% Term Loan Lender recovery on the aggregate of their prepetition Term Loan **In the event of a liquidation**: $250,000 to the GUC Trust

In re Hollander Sleep Products, LLC, *et al.*, Case No. 19-11608 (MEW) (Bankr. S.D.N.Y.)
SETTLEMENT COMMUNICATIONS -- SUBJECT TO FRE 408 AND RULES OF SIMILAR IMPORT

Official Committee of Unsecured Creditors – Settlement Proposal Chart

	Item:	Term Lender Proposal – Round 6 (current)
2.	Cash consideration from Sentinel	First $200,000 of proceeds on account of the LOL recovery will be paid to the GUC Trust. Thereafter, proceeds on account of the LOL recovery will be split 50%/50% until the aggregate recovery to the GUC Trust (including the $200,000 of first dollars paid) is $650,000. Consistent with the prior proposals, this applies in all three circumstances (liquidation, sale, or reorganization).
3.	Avoidance Actions	Waiver of avoidance actions
4.	Commercial Torts	Commercial torts assigned and transferred to the GUC Trust
5.	Waiver of claims	Waiver of Term Loan Lenders' deficiency claims
6.	Lien validation	UCC validates Term Loan Lenders liens
7.	Term Loan Lender release	Mutual releases
8.	Sentinel release	Mutual releases
9.	Plan Support	The UCC, Sentinel, and the Term Loan Lenders, each agree to support confirmation of the Plan in all scenarios described above
10.	Professional Fees	Professionals for the UCC agree to a hard cap on fees (monthly) for the duration of the case
11.	Lender Allocation	Resolved based on Term Loan Credit Agreement – book value attributed to inventory in any liquidation

Exhibit E to the Amended and Restated Restructuring Support and Settlement Agreement

Form of Transferee Joinder

Form of Transferee Joinder

This joinder (this "Joinder") to the Amended and Restated Restructuring Support and Settlement Agreement (the "Agreement"), dated as of July 21, 2019, by and among: (i) Dream II Holdings, LLC together with certain of its direct and indirect subsidiaries (collectively, the "Company"); (ii) the Consenting Term Loan Lenders; (iii) the Committee; and (iv) the Sponsor, is executed and delivered by [_____] (the "Joining Party") as of [_____]. Each capitalized term used herein but not otherwise defined shall have the meaning ascribed to it in the Agreement.

42. Agreement to Be Bound. The Joining Party hereby agrees to be bound by all of the terms of the Agreement, a copy of which is attached to this Joinder as Annex 1 (as the same has been or may be hereafter amended, restated, or otherwise modified from time to time in accordance with the provisions thereof). The Joining Party shall hereafter be deemed to be a Party for all purposes under the Agreement and one or more of the entities comprising the Restructuring Support Parties.

43. Representations and Warranties. The Joining Party hereby represents and warrants to each other Party to the Agreement that, as of the date hereof, such Joining Party (a) is the legal or beneficial holder of, and has all necessary authority (including authority to bind any other legal or beneficial holder) with respect to, the Term Loan Claims identified below its name on the signature page hereof, and (b) makes, as of the date hereof, the representations and warranties set forth in Section 24 of the Agreement to each other Party.

44. Governing Law. This Joinder shall be governed by and construed in accordance with the internal laws of the State of New York without regard to any conflicts of law provisions which would require the application of the law of any other jurisdiction.

45. Notice. All notices and other communications given or made pursuant to the Agreement shall be sent to:

To the Joining Party at:

[JOINING PARTY]
[ADDRESS]
Attn:
Facsimile:
Email:

IN WITNESS WHEREOF, the Joining Party has caused this Joinder to be executed as of the date first written above.

[JOINING PARTY]

By: _____
Name:
Title:

Principal Amount of Term Loan Claims: $_____

Notice Address:

Fax:
Attention:
Email:

Annex 1 to the Form of Transferee Joinder

Exhibit D

Financial Projections

REORGANIZED HOLLANDER SLEEP PRODUCTS' FINANCIAL PROJECTIONS[1]

Introduction to Financial Projections

As a condition to Confirmation, the Bankruptcy Code requires, among other things, the Bankruptcy Court to find that Confirmation is not likely to be followed by either a liquidation or the need to further reorganize the Debtors (and together with their non-Debtor affiliates, the "Company"). In accordance with this condition and in order to assist each Holder of a Claim in determining whether to vote to accept or reject the Plan, the Company's management team ("Management"), with the assistance of their advisors, developed financial projections (the "Financial Projections") to support the feasibility of the Plan in the event the Plan effectuates a going-concern reorganization through a debt-for-equity exchange.

Importantly, in the event that the Plan effectuates a going-concern ***sale*** of the Debtors' business to a third-party, such third party may have materially different views on future performance and strategy. These projections are not meant to, nor should they be construed as, influencing or establishing a business plan of any such third party. In the event of such a sale, the Financial Projections are no longer a relevant component of the Plan analysis as creditors will receive solely the cash proceeds of such sale.

The Financial Projections were prepared by Management and are based on a number of assumptions made by Management and their advisors, within the bounds of their knowledge, with respect to the Company's future operating performance. Accordingly and in addition, to the extent relevant, these Financial Projections and all related documents contain statements which constitute "forward-looking statements" within the meaning of the Securities Act and the Securities Exchange Act of 1934, as amended by the Private Securities Litigation Reform Act of 1995. Forward-looking statements in these projections include the intent, belief, or current expectations of the Company and members of its Management team with respect to the timing of, completion of, and scope of the current restructuring, the Plan, the Company's strategic business plan, bank financing, debt and equity market conditions, and the Company's future liquidity, as well as the assumptions upon which such statements are based.

Although Management has prepared the Financial Projections in good faith and believes the assumptions to be reasonable, it is important to note that the Company can provide no assurance that such assumptions will be realized. Because future events and circumstances may well differ from those assumed and unanticipated events or circumstances may occur, the Company expects that the actual and projected results will differ and the actual results may be materially greater or less than those contained in the Financial Projections and from those contemplated by such forward-looking statements. No representations can be made as to the accuracy of the Financial Projections or the Company's ability to achieve the projected results.

Therefore, the Financial Projections may not be relied upon as a guarantee or as any other form of assurance as to the actual results that will occur. The inclusion of the Financial Projections herein should not be regarded as an indication that the Company considered or considers the Financial Projections to reliably predict future performance. Accordingly, in deciding whether to vote to accept or reject the Plan, creditors should review the Financial Projections in conjunction with a review of the risk factors set forth in the Disclosure Statement and the assumptions and risks described herein, including all relevant qualifications and footnotes.

The Company's board of directors was not asked to and did not approve the Financial Projections or evaluate or endorse the projections or the assumptions underlying the Financial Projections. Moreover, the following Financial Projections were not prepared with a view toward compliance with published rules of the American Institute of Certified Public Accountants regarding projections. The Company's independent auditor has not examined, compiled, or performed any procedures with respect to the prospective financial information contained in this exhibit and, accordingly, it does not express an opinion or any other form of assurance on such information or its achievability. The Company's independent auditor assumes no responsibility for, and denies any association with, the prospective financial information.

[1] All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the *Debtors' Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* (the "Plan").

The Company does not intend to and disclaims any obligation to: (1) furnish updated Financial Projections to Holders of Claims or Interests prior to the Effective Date or to any other party after the Effective Date; or (2) otherwise make such updated information publicly available.

Select Assumptions of the Financial Projections

The Financial Projections are based on, but not limited to, factors such as industry performance, general business, economic, competitive, regulatory, market, and financial conditions, as well as the assumptions detailed below. Many of these factors and assumptions are beyond the control of the Company and do not take into account the uncertainty and disruption that may accompany the Debtors' emergence from an in-court restructuring. Accordingly, the assumptions should be reviewed in conjunction with a review of the risk factors described below under "*Select Risk Factors Related to the Financial Projections*."

- **Methodology**: The Financial Projections were developed on an operational rather than legal entity basis.

- **Plan and Effective Date**: The Financial Projections assume that the Plan will be consummated in accordance with its terms and that all transactions contemplated by the Plan will be consummated on or about September 13, 2019 (the "Assumed Effective Date").

- **Projection Period**: The Financial Projections contained herein commence after the Assumed Effective Date, and cover the period beginning October 2019 through December 2022.

- **Fresh Start Accounting**: The Financial Projections reflect an anticipated emergence from chapter 11 on or about September 13, 2019. While the Financial Projections do present a restructured go-forward balance sheet they do not, however, consider the potential impact of the application of "fresh start" accounting under Accounting Standards Codification 852, "Reorganizations" that may apply upon the Effective Date. If the Debtors do fully implement fresh start accounting, differences from the depiction presented in the Financial Projections are anticipated and those differences may be material.

- **Macroeconomic and Industry Environment**: The Financial Projections assume that with a scaled down and "right sized" organization, the Company will be able to successfully compete in the current highly competitive market environment. These projections also assume constant foreign currency exchange rates and stable commodity pricing environments.

- **Operations**: The Financial Projections assume lower go-forward sales levels because of recent and expected customer share losses as a result of initiatives to improve the pricing of the Company's low margin business. Accordingly, the Financial Projections incorporate significant margin and operating cost improvement initiatives, as well as initiatives to grow on-line sales:

    1. Margin Improvements: As stated, the Company has achieved pricing improvements on certain low margin SKUs, which are increasing margins, but have also resulted in lost sales. Major additional initiatives are underway to increase margins through product design and by lowering material costs through improved sourcing and material efficiencies at the plant level.

    2. Rightsizing Business Structure to Match Go-Forward Sales Levels: The Company's business plan and Financial Projections recognize the need to lower fixed costs by rationalizing its fixed cost structure and plant footprint in order to right-size the business to match the projected go-forward sales levels. To derive savings estimates and timing reflected in the Financial Projections, the Debtors' Management and advisors undertook an extensive analysis of both savings and one-time costs to implement such savings. To date, two of the Company's plants are in the process of consolidation and wind-down.

    3. Investment in Plant Equipment: The Company's Financial Projections include significant investments in new plant equipment, which will support both plant consolidation and lead to improved plant operating efficiencies.

- **Other Assumptions**:

  The Financial Projections also assume that: (1) there will be no material change in legislation, regulations, tariffs, or the administration thereof, that will have an unexpected material effect on the operations of the Company; (2) there will be no change in generally accepted accounting principles in the United States that will have a material effect on the reported financial results of the Company; (3) the potential application of fresh start accounting will not materially change the Debtors' accounting procedures; and (4) there will be no material contingent or unliquidated litigation or indemnity claims applicable to the Debtors.

The Financial Projections are based on current Management's views of the Company performance as a stand-alone entity and do not reflect the views or strategies that may be associated with any third-party purchaser.

Select Risk Factors Related to the Financial Projections

The Financial Projections herein are inherently subject to risks and uncertainties. Such risk factors, many of which are beyond the control of the Company, could cause actual results to differ materially from the Financial Projections. Although the Financial Projections take into account the current highly competitive business environment, no other specific risks (including the below listed risks) are reflected within the Financial Projections. Select industry and Company-specific risks include, but are not limited to, the following (see Article VIII of the Debtor's Disclosure Statement, entitled "Certain Risk Factors to Be Considered Before Voting," for further discussion):

- The Company operates in a highly competitive and commoditized market, with significant established competitors who are using the uncertainty related to the Company's bankruptcy filing to attack the Company's market share position at key customers. Such competition may reduce the Company's overall market share, sales, and profitability. Additionally, while the utility bedding markets continue to grow at a nominal rate, business levels are still dependent upon overall consumer spending levels and disposable income. Any substantial deterioration in general economic conditions could adversely impact sales and profitability.

- The Company depends upon a wide range of vendors to supply raw materials and component parts to manufacture its utility bedding products, including shells, fiber, feathers, poly bags, labels, inserts, and packaging. The Financial Projections assume continued vendor support and the uninterrupted supply of these materials and components. In addition, many of these vendors are located in Asia. Any interruption of supply or significant cost increases could have a material impact on the Company's gross margins.

- The Company also purchases "retail ready" finished products from its vendors that the Company then sells along with its own manufactured products. If these manufacturers are unable to secure sufficient supplies of raw materials, produce products that meet quality standards, or maintain adequate manufacturing and shipping capacity, they may be unable to timely deliver products to the Company. Additionally, many of these manufacturers are based in China. Any deterioration in the trade relationship between the United States and China or any other disruption in the Company's ability to import products from China or any other country where the Company operates could have a material adverse effect on the Company's financial results.

- The Company's profitability is dependent on, among other things, the prices of commodities used to make and transport their products, as well as labor prices. Any meaningful fluctuation in any of these items may have a material impact on the Company's financial results.

- A significant portion of the Company's operating expenses are fixed costs that are not directly dependent on sales performance. If sales decline from forecast levels, the Company may be unable to reduce or offset these fixed operating expenses in the short term.
- Any significant delay in the Assumed Effective Date, or significant operational or funding issues experienced during the pendency of the bankruptcy, may have significant adverse effects on the Company's operations and financial performance including, but not limited to, an increased risk or inability to meet sales forecasts and increased expenses related to the Company's operations or reorganization, and may negatively impact the Company's operating cash flow and liquidity necessary to sustain normalized operations.

- Because of the uncertainty caused by the Company's chapter 11 filing, the Company may be subject to continued risks, including declines in sales, above and beyond what has already been incorporated in the Financial Projections. Additionally, the Company has been and may continue to be subjected to employee turnover at the management, product development, sales force, and plant levels due to the uncertainty surrounding the outcome of the chapter 11 reorganization process as well as recruitment by competitors. Loss of employees from these and other parts of the Company's organization could have an adverse impact on the Company's financial performance.

- The Company may experience a marked increase in order cancellations and lost business due to supply chain disruptions caused in part by the Company's chapter 11 bankruptcy filing, as well as its need to initiate price increases on certain low margin products. While increases in business losses are incorporated in the Financial Projections, significant increases could have an adverse impact on the Company's financial performance.

- The Financial Projections incorporate the Company's planned sales and cost initiatives, as well as operational restructuring activities. The Company may be unable to execute or may only partially realize certain or all of these initiatives and activities due to factors that may be beyond the Company's control. Not realizing the benefit of such initiatives or activities may have a material impact on the Company's financial results.

- Upon emergence, the Debtors will be required to determine the amount by which their reorganization value as of the Effective Date exceeds, or is less than, the fair value of their assets as of the Effective Date. Such a determination will be based upon the fair value at that time, which may be based on, among other things, a different methodology than what is reflected in the Financial Projections. In any event, such valuation, as well as the determination of the fair value of the Debtors' assets and liabilities, will be made as of the Effective Date. The differences between the amounts of any or all of the foregoing items as assumed in the Financial Projections and the actual amounts thereof as of the Effective Date may be material.

THE INDEPENDENT AUDITOR FOR THE COMPANY HAS NOT EXAMINED, COMPILED, OR OTHERWISE PERFORMED ANY PROCEDURES ON THE FOLLOWING PROSPECTIVE FINANCIAL INFORMATION AND, CONSEQUENTLY, DOES NOT EXPRESS AN OPINION OR ANY OTHER FORM OF ASSURANCE WITH RESPECT TO THE PROSPECTIVE FINANCIAL INFORMATION.

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UNAUDITED PROJECTED INCOME STATEMENT - MONTHLY

Hollander Sleep Products
Statement of Income
($000s)

	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
Sales															
Gross Sales	$36,195	$35,505	$37,586	$38,393	$37,088	$31,656	$32,018	$36,723	$36,155	$34,198	$32,716	$31,733	$33,772	$33,006	$34,597
Allowances	(2,436)	(2,259)	(2,474)	(2,698)	(2,571)	(1,894)	(1,907)	(2,776)	(2,536)	(2,199)	(2,155)	(1,988)	(2,262)	(2,162)	(2,306)
Royalties	(1,007)	(942)	(994)	(901)	(851)	(754)	(884)	(920)	(883)	(808)	(842)	(882)	(883)	(872)	(825)
Net Sales	**32,751**	**32,304**	**34,117**	**34,794**	**33,666**	**29,008**	**29,227**	**33,028**	**32,736**	**31,191**	**29,719**	**28,863**	**30,628**	**29,972**	**31,466**
YoY Growth	*-30.8%*	*-24.3%*	*-15.4%*	*-25.8%*	*-19.1%*	*-14.6%*	*-26.9%*	*-22.7%*	*-4.4%*	*-18.1%*	*-18.7%*	*-14.3%*	*-6.5%*	*-7.2%*	*-7.8%*
Costs of Goods Sold															
Material COGS	21,910	21,429	22,618	23,036	22,253	18,994	19,211	22,034	21,693	20,519	19,630	19,040	20,263	19,803	20,758
Initiative 1	(526)	(516)	(547)	(558)	(539)	(460)	(466)	(336)	(331)	(313)	(300)	(291)	(285)	(278)	(292)
Initiative 2	(635)	(665)	(704)	(719)	(695)	(593)	(600)	(550)	(542)	(512)	(490)	(476)	(474)	(464)	(486)
Initiative 3	(369)	(483)	(511)	(522)	(504)	(431)	(435)	(499)	(492)	(465)	(445)	(432)	(459)	(449)	(471)
Initiative 4	-	-	(13)	(26)	(38)	(44)	(55)	(76)	(87)	(94)	(101)	(109)	(116)	(114)	(119)
Direct Labor	2,443	2,397	2,537	2,591	2,503	2,137	2,161	2,479	2,440	2,308	2,208	2,142	2,280	2,228	2,335
Overhead	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Plant Closure Savings	(395)	(997)	(997)	(997)	(1,209)	(1,783)	(1,783)	(2,084)	(2,084)	(2,084)	(2,084)	(2,084)	(2,084)	(2,084)	(2,084)
Plant Closure Expense	677	132	53	2,095	1,538	69	1,249	57	-	-	-	-	-	-	-
Net Overhead	7,282	6,135	6,056	8,098	7,329	5,286	6,466	4,974	4,916	4,916	4,916	4,916	4,916	4,916	4,916
Shipping	471	426	413	384	371	317	320	367	362	342	327	317	338	330	346
Total Costs of Goods Sold	**30,575**	**28,723**	**29,850**	**32,283**	**30,679**	**25,205**	**26,602**	**28,392**	**27,960**	**26,700**	**25,745**	**25,108**	**26,462**	**25,973**	**26,988**
Gross Margin	**2,176**	**3,581**	**4,267**	**2,510**	**2,987**	**3,803**	**2,625**	**4,636**	**4,776**	**4,491**	**3,974**	**3,754**	**4,165**	**3,999**	**4,478**
SG&A	3,924	4,044	3,992	3,442	3,467	4,979	3,063	2,920	3,078	2,876	2,910	2,988	2,969	3,065	3,034
Income from Operations	**(1,748)**	**(463)**	**275**	**(931)**	**(480)**	**(1,176)**	**(438)**	**1,716**	**1,698**	**1,615**	**1,064**	**766**	**1,196**	**934**	**1,444**
Other Income & Expense															
Amortization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Expense	1,272	1,278	1,291	1,310	1,327	1,305	1,218	1,150	1,150	1,171	1,161	1,092	1,039	1,021	1,024
Acquisition Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Management Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income/Expense	1,950	1,750	-	-	271	672	-	1,535	-	-	-	-	-	-	-
Total Other Income & Expense	**3,222**	**3,029**	**1,291**	**1,310**	**1,598**	**1,977**	**1,218**	**2,686**	**1,150**	**1,171**	**1,161**	**1,092**	**1,039**	**1,021**	**1,024**
Income Before Taxes	**(4,970)**	**(3,491)**	**(1,016)**	**(2,241)**	**(2,077)**	**(3,153)**	**(1,656)**	**(970)**	**548**	**443**	**(97)**	**(326)**	**157**	**(87)**	**419**
Tax Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Income	**(4,970)**	**(3,491)**	**(1,016)**	**(2,241)**	**(2,077)**	**(3,153)**	**(1,656)**	**(970)**	**548**	**443**	**(97)**	**(326)**	**157**	**(87)**	**419**
Add Backs	4,275	3,502	1,686	3,747	3,464	2,359	2,780	3,032	1,439	1,460	1,450	1,381	1,328	1,310	1,313
Adjusted EBITDA	**(695)**	**11**	**670**	**1,505**	**1,387**	**(794)**	**1,124**	**2,062**	**1,987**	**1,904**	**1,353**	**1,055**	**1,485**	**1,223**	**1,732**

UNAUDITED PROJECTED INCOME STATEMENT – QUARTERLY & ANNUALLY

Hollander Sleep Products
Statement of Income
($000s)

	4Q 2019	1Q 2020	2Q 2020	3Q 2020	4Q 2020	1Q 2021	2Q 2021	3Q 2021	4Q 2021	1Q 2022	2Q 2022	3Q 2022	4Q 2022	2020	2021	2022
Sales																
Gross Sales	$109,286	$107,137	$104,896	$98,647	$101,375	$112,532	$110,581	$104,049	$109,807	$119,073	$115,377	$109,468	$115,141	$412,054	$436,969	$459,058
Allowances	(7,170)	(7,162)	(7,219)	(6,341)	(6,730)	(7,332)	(7,393)	(6,534)	(7,071)	(7,966)	(7,698)	(6,874)	(7,395)	(27,452)	(28,331)	(29,934)
Royalties	(2,944)	(2,506)	(2,687)	(2,532)	(2,579)	(2,588)	(2,805)	(2,699)	(2,678)	(2,697)	(2,979)	(2,799)	(2,751)	(10,305)	(10,771)	(11,227)
Net Sales	**99,172**	**97,468**	**94,990**	**89,773**	**92,066**	**102,612**	**100,382**	**94,815**	**100,058**	**108,409**	**104,699**	**99,794**	**104,995**	**374,297**	**397,867**	**417,897**
YoY Growth		*-20.4%*	*-18.8%*	*-17.1%*	*-7.2%*	*5.3%*	*5.7%*	*5.6%*	*8.7%*	*5.6%*	*4.3%*	*5.3%*	*4.9%*	*-16.2%*	*6.3%*	*5.0%*
Costs of Goods Sold																
Material COGS	65,957	64,282	62,938	59,188	60,825	67,519	66,348	62,429	65,884	71,444	69,226	65,681	69,084	247,232	262,181	275,435
Initiative 1	(1,589)	(1,558)	(1,133)	(904)	(855)	(949)	(933)	(878)	(926)	(1,004)	(973)	(923)	(971)	(4,450)	(3,685)	(3,872)
Initiative 2	(2,004)	(2,007)	(1,692)	(1,478)	(1,424)	(1,581)	(1,553)	(1,462)	(1,543)	(1,673)	(1,621)	(1,538)	(1,618)	(6,601)	(6,139)	(6,449)
Initiative 3	(1,363)	(1,457)	(1,427)	(1,342)	(1,379)	(1,530)	(1,354)	(1,203)	(1,269)	(1,376)	(1,255)	(1,117)	(1,174)	(5,604)	(5,356)	(4,923)
Initiative 4	(13)	(108)	(218)	(305)	(349)	(388)	(381)	(359)	(378)	(410)	(398)	(377)	(397)	(981)	(1,506)	(1,582)
Direct Labor	7,377	7,232	7,080	6,659	6,843	7,596	7,464	7,023	7,412	8,037	7,788	7,389	7,772	27,814	29,495	30,986
Overhead	21,000	21,000	21,000	21,000	21,000	21,420	21,420	21,420	21,420	21,848	21,848	21,848	21,848	84,000	85,680	87,394
Plant Closure Savings	(2,388)	(3,988)	(5,950)	(6,251)	(6,251)	(6,376)	(6,376)	(6,376)	(6,376)	(6,503)	(6,503)	(6,503)	(6,503)	(22,439)	(25,503)	(26,013)
Plant Closure Expense	861	3,701	1,306	-	-	-	-	-	-	-	-	-	-	5,008	-	-
Net Overhead	19,473	20,713	16,356	14,749	14,749	15,044	15,044	15,044	15,044	15,345	15,345	15,345	15,345	66,568	60,177	61,381
Shipping	1,310	1,071	1,049	986	1,014	1,125	1,106	1,040	1,098	1,191	1,154	1,095	1,151	4,121	4,370	4,591
Total Costs of Goods Sold	**89,148**	**88,168**	**82,954**	**77,554**	**79,424**	**86,837**	**85,742**	**81,637**	**85,322**	**91,554**	**89,266**	**85,555**	**89,193**	**328,099**	**339,538**	**355,568**
Gross Margin	**10,024**	**9,300**	**12,036**	**12,219**	**12,642**	**15,775**	**14,640**	**13,179**	**14,735**	**16,856**	**15,433**	**14,240**	**15,801**	**46,197**	**58,329**	**62,330**
														12.3%	*14.7%*	*14.9%*
SG&A	11,959	11,887	9,061	8,774	9,069	9,195	8,645	8,721	9,073	9,333	8,775	8,852	9,209	38,791	35,635	36,169
Income from Operations	**(1,935)**	**(2,587)**	**2,975**	**3,445**	**3,573**	**6,580**	**5,995**	**4,457**	**5,662**	**7,522**	**6,658**	**5,387**	**6,592**	**7,407**	**22,694**	**26,160**
Other Income & Expense																
Amortization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Expense	3,842	3,942	3,518	3,424	3,084	3,260	3,310	3,122	3,029	3,232	3,252	3,008	2,911	13,968	12,721	12,403
Acquisition Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Management Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income/Expense	3,700	943	1,535	-	-	-	-	-	-	-	-	-	-	2,478	-	-
Total Other Income & Expense	**7,542**	**4,885**	**5,053**	**3,424**	**3,084**	**3,260**	**3,310**	**3,122**	**3,029**	**3,232**	**3,252**	**3,008**	**2,911**	**16,447**	**12,721**	**12,403**
Income Before Taxes	**(9,477)**	**(7,471)**	**(2,078)**	**20**	**489**	**3,320**	**2,685**	**1,336**	**2,633**	**4,291**	**3,406**	**2,379**	**3,681**	**(9,040)**	**9,973**	**13,757**
Tax Expense	-	-	-	-	-	-	-	-	-	-	-	383	920	-	-	1,303
Net Income	**(9,477)**	**(7,471)**	**(2,078)**	**20**	**489**	**3,320**	**2,685**	**1,336**	**2,633**	**4,291**	**3,406**	**1,996**	**2,761**	**(9,040)**	**9,973**	**12,454**
Add Backs	9,462	9,569	7,251	4,291	3,951	3,992	4,219	3,988	3,896	4,099	4,119	4,258	4,698	25,062	16,095	17,173
Adjusted EBITDA	**(15)**	**2,098**	**5,173**	**4,312**	**4,440**	**7,311**	**6,904**	**5,324**	**6,529**	**8,389**	**7,525**	**6,254**	**7,459**	**16,022**	**26,068**	**29,627**
Adjusted EBITDA Margin	*-0.01%*	*1.96%*	*4.93%*	*4.37%*	*4.38%*	*6.50%*	*6.24%*	*5.12%*	*5.95%*	*7.05%*	*6.52%*	*5.71%*	*6.48%*	*3.89%*	*5.97%*	*6.45%*

UNAUDITED PROJECTED BALANCE SHEET - MONTHLY

Hollander Sleep Products
Balance Sheet
($000s)

	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
Assets															
Current Assets															
Cash	$16,963	$16,217	$17,053	$16,405	$17,322	$15,975	$14,752	$15,708	$16,901	$18,668	$18,607	$18,259	$19,183	$20,298	$21,554
A/R, net	47,399	46,518	47,820	49,914	50,586	48,066	45,321	45,006	46,844	47,813	46,182	44,272	43,994	44,119	45,402
Inventory, net	88,504	88,425	86,887	87,392	87,713	82,327	76,770	76,291	80,093	82,119	78,998	75,561	75,280	75,561	77,832
Prepaid Expenses & Other	3,208	2,976	2,931	2,987	3,051	2,899	2,712	2,637	2,727	2,730	2,643	2,550	2,542	2,549	2,611
Total Current Assets	**156,073**	**154,136**	**154,692**	**156,698**	**158,673**	**149,267**	**139,554**	**139,642**	**146,566**	**151,330**	**146,430**	**140,641**	**140,998**	**142,527**	**147,400**
Non-Current Assets															
PP&E, net	21,517	20,169	20,151	20,212	19,900	19,348	19,241	17,705	17,849	17,766	17,765	17,673	17,551	17,429	18,306
Intangibles, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Total Non-Current Assets	**24,017**	**22,669**	**22,651**	**22,712**	**22,400**	**21,848**	**21,741**	**20,205**	**20,349**	**20,266**	**20,265**	**20,173**	**20,051**	**19,929**	**20,806**
Total Assets	**180,090**	**176,805**	**177,342**	**179,411**	**181,073**	**171,115**	**161,296**	**159,847**	**166,915**	**171,597**	**166,695**	**160,814**	**161,049**	**162,456**	**168,206**
Total Liabilities & Equity															
Current Liabilities															
A/P	3,208	3,472	3,908	4,978	7,120	8,696	9,944	11,426	13,636	15,473	16,742	17,848	19,488	21,245	23,501
Accrued Expenses	6,416	6,564	6,839	7,219	7,628	7,488	7,232	7,251	7,727	7,964	7,930	7,862	8,049	8,285	8,704
Line of Credit	48,939	48,121	48,669	50,741	51,470	47,065	42,390	41,917	45,079	46,755	44,049	40,969	40,608	40,832	42,887
Line of Credit (Last Out)	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Total Current Liabilities	**73,563**	**73,157**	**74,415**	**77,938**	**81,218**	**78,249**	**74,565**	**75,593**	**81,443**	**85,192**	**83,722**	**81,678**	**83,145**	**85,362**	**90,092**
Non-Current Liabilities															
L-T Debt	59,229	59,840	60,135	60,922	61,382	57,546	53,067	51,559	52,230	52,719	49,385	45,873	44,485	43,761	44,363
Other Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	**59,229**	**59,840**	**60,135**	**60,922**	**61,382**	**57,546**	**53,067**	**51,559**	**52,230**	**52,719**	**49,385**	**45,873**	**44,485**	**43,761**	**44,363**
Total Liabilities	**132,791**	**132,997**	**134,551**	**138,860**	**142,600**	**135,795**	**127,632**	**127,153**	**133,673**	**137,911**	**133,106**	**127,552**	**127,630**	**129,123**	**134,454**
Equity															
Stockholders' Equity	47,299	43,808	42,792	40,551	38,473	35,320	33,664	32,694	33,242	33,686	33,589	33,263	33,420	33,332	33,752
Total Equity	**47,299**	**43,808**	**42,792**	**40,551**	**38,473**	**35,320**	**33,664**	**32,694**	**33,242**	**33,686**	**33,589**	**33,263**	**33,420**	**33,332**	**33,752**
Total Liabilities & Equity	**180,090**	**176,805**	**177,342**	**179,411**	**181,073**	**171,115**	**161,296**	**159,847**	**166,915**	**171,597**	**166,695**	**160,814**	**161,049**	**162,456**	**168,206**

UNAUDITED PROJECTED BALANCE SHEET – QUARTERLY & ANNUALLY

Hollander Sleep Products
Balance Sheet
($000s)

	4Q 2019	1Q 2020	2Q 2020	3Q 2020	4Q 2020	1Q 2021	2Q 2021	3Q 2021	4Q 2021	1Q 2022	2Q 2022	3Q 2022	4Q 2022	2019	2020	2021	2022
Assets																	
Current Assets																	
Cash	$17,053	$15,975	$16,901	$18,259	$21,554	$24,002	$25,296	$24,736	$27,817	$31,787	$32,767	$32,618	$35,661	$17,053	$21,554	$27,817	$35,661
A/R, net	47,820	48,066	46,844	44,272	45,402	50,603	49,503	46,758	49,344	53,462	51,632	49,214	51,778	47,820	45,402	49,344	51,778
Inventory, net	86,887	82,327	80,093	75,561	77,832	86,399	85,106	80,176	84,614	91,754	89,013	84,556	88,938	86,887	77,832	84,614	88,938
Prepaid Expenses & Other	2,931	2,899	2,727	2,550	2,611	2,855	2,819	2,684	2,805	3,010	2,935	2,813	2,932	2,931	2,611	2,805	2,932
Total Current Assets	**154,692**	**149,267**	**146,566**	**140,641**	**147,400**	**163,859**	**162,725**	**154,354**	**164,580**	**180,013**	**176,348**	**169,201**	**179,309**	**154,692**	**147,400**	**164,580**	**179,309**
Non-Current Assets																	
PP&E, net	20,151	19,348	17,849	17,673	18,306	18,075	17,666	17,299	16,932	16,566	16,199	15,832	15,465	20,151	18,306	16,932	15,465
Intangibles, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Total Non-Current Assets	**22,651**	**21,848**	**20,349**	**20,173**	**20,806**	**20,575**	**20,166**	**19,799**	**19,432**	**19,066**	**18,699**	**18,332**	**17,965**	**22,651**	**20,806**	**19,432**	**17,965**
Total Assets	**177,342**	**171,115**	**166,915**	**160,814**	**168,206**	**184,434**	**182,891**	**174,153**	**184,012**	**199,079**	**195,046**	**187,533**	**197,274**	**177,342**	**168,206**	**184,012**	**197,274**
Total Liabilities & Equity																	
Current Liabilities																	
A/P	3,908	8,696	13,636	17,848	23,501	25,694	25,370	24,156	25,246	27,090	26,413	25,315	26,391	3,908	23,501	25,246	26,391
Accrued Expenses	6,839	7,488	7,727	7,862	8,704	9,516	9,396	8,946	9,350	10,033	9,783	9,376	9,775	6,839	8,704	9,350	9,775
Line of Credit	48,669	47,065	45,079	40,969	42,887	50,959	49,460	45,036	49,120	55,655	52,924	48,981	53,024	48,669	42,887	49,120	53,024
Line of Credit (Last Out)	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Total Current Liabilities	**74,415**	**78,249**	**81,443**	**81,678**	**90,092**	**101,170**	**99,227**	**93,138**	**98,717**	**107,778**	**104,120**	**98,672**	**104,190**	**74,415**	**90,092**	**98,717**	**104,190**
Non-Current Liabilities																	
L-T Debt	60,135	57,546	52,230	45,873	44,363	46,193	43,908	39,924	41,570	43,285	39,505	35,443	36,905	60,135	44,363	41,570	36,905
Other Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	**60,135**	**57,546**	**52,230**	**45,873**	**44,363**	**46,193**	**43,908**	**39,924**	**41,570**	**43,285**	**39,505**	**35,443**	**36,905**	**60,135**	**44,363**	**41,570**	**36,905**
Total Liabilities	**134,551**	**135,795**	**133,673**	**127,552**	**134,454**	**147,362**	**143,135**	**133,062**	**140,287**	**151,063**	**143,625**	**134,115**	**141,095**	**134,551**	**134,454**	**140,287**	**141,095**
Equity																	
Stockholders' Equity	42,792	35,320	33,242	33,263	33,752	37,071	39,756	41,092	43,725	48,016	51,422	53,418	56,179	42,792	33,752	43,725	56,179
Total Equity	**42,792**	**35,320**	**33,242**	**33,263**	**33,752**	**37,071**	**39,756**	**41,092**	**43,725**	**48,016**	**51,422**	**53,418**	**56,179**	**42,792**	**33,752**	**43,725**	**56,179**
Total Liabilities & Equity	**177,342**	**171,115**	**166,915**	**160,814**	**168,206**	**184,434**	**182,891**	**174,153**	**184,012**	**199,079**	**195,046**	**187,533**	**197,274**	**177,342**	**168,206**	**184,012**	**197,274**

UNAUDITED PROJECTED STATEMENT OF CASH FLOWS - MONTHLY

Hollander Sleep Products
Cash Flow Statement
($000s)

	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
Operating Cash Flow															
Net Income	($4,970)	($3,491)	($1,016)	($2,241)	($2,077)	($3,153)	($1,656)	($970)	$548	$443	($97)	($326)	$157	($87)	$419
Depr & Amort	376	342	342	342	329	313	313	289	289	289	289	289	289	289	289
Non-Cash Interest & Rent	798	808	817	822	833	840	788	727	706	716	723	678	630	612	602
Other	-	1,750	-	-	271	672	-	1,535	-	-	-	-	-	-	-
Working Capital															
A/R	1,278	880	(1,302)	(2,094)	(672)	2,520	2,745	315	(1,838)	(969)	1,632	1,910	278	(125)	(1,284)
Inventory	(3,428)	79	1,538	(505)	(320)	5,386	5,557	479	(3,802)	(2,026)	3,121	3,437	281	(282)	(2,271)
Prepaid Expenses & Other	210	232	45	(56)	(64)	153	187	75	(91)	(3)	87	94	8	(7)	(62)
A/P	(7,826)	264	436	1,071	2,141	1,576	1,248	1,482	2,211	1,836	1,269	1,106	1,640	1,757	2,256
Accrued Expenses	-	149	275	380	410	(140)	(257)	19	476	237	(33)	(69)	188	236	418
Total Operating Cash Flow	**(13,563)**	**1,013**	**1,134**	**(2,282)**	**850**	**8,167**	**8,925**	**3,951**	**(1,500)**	**524**	**6,991**	**7,119**	**3,471**	**2,393**	**368**
Investing Cash Flow															
Capital Expenditure	(4,101)	(744)	(323)	(403)	(288)	(433)	(206)	(288)	(433)	(206)	(288)	(197)	(167)	(167)	(1,167)
Acquisition	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Investing Cash Flow	**(4,101)**	**(744)**	**(323)**	**(403)**	**(288)**	**(433)**	**(206)**	**(288)**	**(433)**	**(206)**	**(288)**	**(197)**	**(167)**	**(167)**	**(1,167)**
Financing Cash Flow															
Change in Line of Credit	4,030	(818)	548	2,072	728	(4,405)	(4,675)	(473)	3,163	1,676	(2,706)	(3,081)	(361)	224	2,055
Change in Other Debt	(132,235)	(197)	(522)	(36)	(373)	(4,676)	(5,267)	(2,234)	(36)	(227)	(4,058)	(4,189)	(2,019)	(1,336)	0
Other	162,200														
Total Financing Cash Flow	**33,995**	**(1,015)**	**26**	**2,037**	**356**	**(9,081)**	**(9,942)**	**(2,707)**	**3,127**	**1,449**	**(6,764)**	**(7,270)**	**(2,380)**	**(1,111)**	**2,055**
Total Cash Flow	**16,331**	**(746)**	**837**	**(649)**	**918**	**(1,347)**	**(1,223)**	**956**	**1,193**	**1,767**	**(61)**	**(348)**	**924**	**1,115**	**1,256**

UNAUDITED PROJECTED STATEMENT OF CASH FLOWS – QUARTERLY & ANNUALLY

Hollander Sleep Products
Cash Flow Statement
($000s)

	4Q 2019	1Q 2020	2Q 2020	3Q 2020	4Q 2020	1Q 2021	2Q 2021	3Q 2021	4Q 2021	1Q 2022	2Q 2022	3Q 2022	4Q 2022	2020	2021	2022
Operating Cash Flow																
Net Income	($9,477)	($7,471)	($2,078)	$20	$489	$3,320	$2,685	$1,336	$2,633	$4,291	$3,406	$1,996	$2,761	($9,040)	$9,973	$12,454
Depr & Amort	1,059	983	891	867	867	732	909	867	867	867	867	867	867	3,608	3,374	3,467
Non-Cash Interest & Rent	2,423	2,495	2,221	2,118	1,844	1,830	1,905	1,811	1,647	1,715	1,786	1,630	1,462	8,677	7,193	6,592
Other	1,750	943	1,535	-	-	-	-	-	-	-	-	-	-	2,478	-	-
Working Capital																
A/R	856	(246)	1,222	2,573	(1,131)	(5,201)	1,100	2,745	(2,585)	(4,119)	1,830	2,419	(2,564)	2,418	(3,941)	(2,435)
Inventory	(1,811)	4,561	2,234	4,532	(2,271)	(8,567)	1,292	4,930	(4,438)	(7,140)	2,741	4,457	(4,382)	9,055	(6,781)	(4,324)
Prepaid Expenses & Other	487	32	171	178	(61)	(244)	36	135	(121)	(205)	75	122	(120)	320	(194)	(127)
A/P	(7,126)	4,788	4,940	4,212	5,653	2,194	(324)	(1,215)	1,091	1,844	(677)	(1,098)	1,077	19,593	1,745	1,145
Accrued Expenses	423	649	239	134	842	812	(120)	(450)	404	683	(251)	(407)	399	1,865	646	424
Total Operating Cash Flow	**(11,415)**	**6,734**	**11,376**	**14,633**	**6,231**	**(5,124)**	**7,483**	**10,159**	**(503)**	**(2,065)**	**9,777**	**9,985**	**(501)**	**38,974**	**12,016**	**17,196**
Investing Cash Flow																
Capital Expenditure	(5,168)	(1,124)	(927)	(691)	(1,500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(4,242)	(2,000)	(2,000)
Acquisition	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Investing Cash Flow	**(5,168)**	**(1,124)**	**(927)**	**(691)**	**(1,500)**	**(500)**	**(500)**	**(500)**	**(500)**	**(500)**	**(500)**	**(500)**	**(500)**	**(4,242)**	**(2,000)**	**(2,000)**
Financing Cash Flow																
Change in Line of Credit	3,760	(1,604)	(1,985)	(4,111)	1,918	8,072	(1,499)	(4,424)	4,084	6,535	(2,731)	(3,943)	4,043	(5,782)	6,233	3,904
Change in Other Debt	(132,955)	(5,084)	(7,537)	(8,474)	(3,354)	(0)	(4,190)	(5,796)	-	(0)	(5,566)	(5,691)	-	(24,450)	(9,986)	(11,257)
Other	162,200	-	-	-	-									-	-	-
Total Financing Cash Flow	**33,005**	**(6,689)**	**(9,522)**	**(12,585)**	**(1,436)**	**8,072**	**(5,689)**	**(10,220)**	**4,084**	**6,535**	**(8,297)**	**(9,635)**	**4,043**	**(30,232)**	**(3,753)**	**(7,353)**
Total Cash Flow	**16,422**	**(1,078)**	**926**	**1,357**	**3,295**	**2,448**	**1,294**	**(560)**	**3,081**	**3,970**	**980**	**(149)**	**3,042**	**4,501**	**6,263**	**7,843**

NOTES TO FINANCIAL PROJECTIONS

Note 1 – Sales

The Financial Projections are based on Management's view of the Company's market position and overall economic outlook. Sales are recognized at the time the products are delivered to the customer, the price is fixed and determinable, and collectability is reasonably assured. Provisions for estimated sales returns are recorded concurrently with the recognition of revenue.

Note 2 – Cost of Goods Sold

Cost of goods sold includes the cost of material, product movement costs, labor, and plant overhead costs including rent, depreciation, manufacturing, repairs and maintenance, and indirect labor, among other items.

Note 3 – SG&A

SG&A expenses consist of costs associated with information technology, corporate rent, finance, human resources, legal, merchandise/supply chain, customer support, marketing, administrative, professional fees, repairs and maintenance, and incentive compensation costs, among other items.

Note 4 – Depreciation and Amortization

Depreciation is associated with buildings, leasehold improvements, machinery and equipment, furniture and fixtures, computer equipment, and property subject to capital leases and is calculated on a straight-line basis over the estimated useful life of the assets.

Amortization is associated with intangible assets. The Debtors' depreciation and amortization are subject to material change based on the accounting treatment of the Debtors' financials upon emergence.

Note 5 – Interest Expense

Interest expense is primarily based upon interest associated with new borrowings. Interest rates for the borrowings are assumed to be competitive market rates, with interest accruing and being paid monthly. Interest expense also reflects applicable commitment and letter of credit fees that the Debtors anticipate would be set forth in any Exit Facilities. In addition, interest expense includes interest associated with the Debtors' capital lease obligations.

Note 6 – Income Taxes

Based on the anticipated capital structure and despite tax attribute reduction resulting from the chapter 11 cases, the Debtors are not expected to be liable for federal and state income taxes until years after emergence. The combined effective federal and state income tax rate is assumed to be 25%. Income tax expense is not reflected on the income statement until the cumulative tax expense during the period is projected to be positive.

Note 7 – Restructuring Related Items

Restructuring related items consist of restructuring professional advisor fees, costs related to the satisfaction of claims, taxes, duties, insurance items, and utility deposits, among other items.

Note 8 – Other, Net

This line item is related to the Company's fixed asset write-offs related to the plant consolidations.

Note 9 – Cash and Cash Equivalents

The Company considers cash equivalents to consist of liquid investments with an original maturity of three months or less. An optional cash flow sweep of 60% of positive free cash flow by month/quarter is assumed to be swept to repay the Exit Term Loan Facility.

Note 10 – Working Capital Accounts

The Financial Projections assume the Company's working capital accounts, including net accounts receivable, inventory, prepaid expenses, other current assets, accounts payable, accrued expenses, and other liabilities continue to perform at historical levels with respect to sales and expense activity. All working capital balances fluctuate significantly during the year depending on seasonality. Prepaid expenses largely relate to prepaid insurance and royalty agreements. Fluctuations within accrued expenses and other liabilities are associated with interest and fee accruals and payments, as well as the Company's incentive-based compensation programs.

Note 11 – PP&E, Net

Property, plant, and equipment ("PP&E") is composed of buildings, leasehold improvements, machinery and equipment, furniture and fixtures, computer equipment, and property subject to capital leases. The Debtors' PP&E is subject to material change based on the accounting treatment of the Debtors' financials upon emergence. Approximately $2.6 million of capital expenditures scheduled to be paid in September post-emergence have been captured in October 2019 in the above financial statements.

Note 12– Goodwill and Intangible Assets

Intangible assets consist of favorable lease rights, trademarks, and customer relationships, among other items. The Debtors' goodwill and intangible assets are subject to material change based on the potential implementation of fresh start accounting in connection with emergence and are not assigned a value in the Financial Projections.

Note 13 – Short and Long Term Debt

Short term debt consists of an expected Exit ABL Facility (Line of Credit). The Exit ABL Facility is assumed to be approximately $45–$50 million with an additional subordinated portion of "last out" loans assumed to be $15 million at emergence. Long term debt consists of a $58 million Exit Term Loan Facility, the Debtors' capital lease obligations, and any accrued PIK interest. The prepetition Term Loan Facility is assumed to be fully written down at emergence.

Note 14 – Restructuring Related Liabilities

Restructuring related liabilities are related to liabilities subject to compromise associated with prepetition accounts payable and debt obligations. Such liabilities are subject to extinguishment based upon the potential impact of fresh start accounting. The Financial Projections contemplate a complete extinguishment of such restructuring related liabilities.

Note 15 – Net Changes in Working Capital

Net changes in working capital are driven by changes in net accounts receivable, inventory, prepaid expenses, accounts payable, accrued expenses, and other liabilities.

Note 16 – Repayments of Long Term Debt

The Financial Projections assume repayments of long term debt are completed pursuant to an optional 60% cash flow sweep of free cash flow in months/quarters where free cash flow is positive.

Note 17 – ABL Proceeds / (Repayments)

Any proceeds and repayments under the Exit ABL Facility are expected to be based on fully utilizing the availability under the Exit ABL Facility, which has yet to be determined.

Exhibit E

Liquidation Analysis

LIQUIDATION ANALYSIS FOR HOLLANDER SLEEP PRODUCTS, LLC., *et al.*[1]

I. INTRODUCTION

Under the "best interests of creditors" test set forth in section 1129(a)(7) of the Bankruptcy Code, a bankruptcy court may not confirm a plan under chapter 11 of the Bankruptcy Code unless each holder of an allowed claim or interest in an impaired class either: (a) accepts the plan; or (b) will receive or retain property on account of such claim or interest of a value, as of the effective date of the plan, that is not less than the amount such holder would receive or retain if the debtor were liquidated under chapter 7 of the Bankruptcy Code.

To demonstrate that the proposed plan satisfies the "best interests of creditors" test, the Debtors, with the assistance of their advisors, have prepared the following hypothetical liquidation analysis presenting recoveries available assuming a hypothetical liquidation (the "Liquidation Analysis"), which is based upon certain assumptions discussed in the Disclosure Statement and in the accompanying notes to this Liquidation Analysis.

This Liquidation Analysis sets forth an estimated range of recovery values for each Class of Claims and Interests that may be realizable upon the disposition of assets pursuant to a hypothetical chapter 7 liquidation of the Debtors' estates. As illustrated by this Liquidation Analysis, Holders of Claims in certain Unimpaired Classes that would receive a full recovery under the Plan would receive less than a full recovery in a hypothetical liquidation. Additionally, Holders of Claims or Interests in Impaired Classes would receive a lower recovery in a hypothetical liquidation than they would under the Plan. Further, no Holder of a Claim or Interest would receive or retain property under the Plan of a value that is less than such Holder would receive in a chapter 7 liquidation. Accordingly, and as set forth in greater detail below, the Debtors believe that the Plan satisfies the "best interests of creditors" test set forth in section 1129(a)(7) of the Bankruptcy Code.

Statement of Limitations

The preparation of a liquidation analysis is an uncertain process involving the extensive use of significant estimates and assumptions that, although considered reasonable by the Debtors based upon their business judgment and input from their advisors, are inherently subject to significant business, economic, and competitive uncertainties and contingencies beyond the control of the Debtors, their management, and their advisors. Inevitably, some assumptions in this Liquidation Analysis would not materialize in an actual chapter 7 liquidation, and unanticipated events and circumstances could materially affect the ultimate results in an actual chapter 7 liquidation. This Liquidation Analysis was prepared for the sole purpose of generating a reasonable, good faith estimate of the proceeds that would be generated if the Debtors' assets were liquidated in accordance with chapter 7 of the Bankruptcy Code. This Liquidation Analysis is not intended and should not be used for any other purpose. The underlying financial information in this Liquidation Analysis and values stated herein have not been subject to any review, compilation, or audit by any independent accounting firm. In addition, various liquidation decisions upon which certain assumptions are based are subject to change. As a result, the actual amount of Claims that would ultimately be Allowed against the Debtors' estates could vary significantly from the estimates stated herein, depending on the nature and amount of Claims asserted during the pendency of the hypothetical chapter 7 cases. Similarly, the value of the Debtors' assets in a liquidation scenario is uncertain and could vary significantly from the values set forth in this Liquidation Analysis.

NEITHER THE DEBTORS NOR THEIR ADVISORS MAKE ANY REPRESENTATION OR WARRANTY THAT THE ACTUAL RESULTS OF A CHAPTER 7 LIQUIDATION OF THE DEBTORS' ESTATES WOULD OR WOULD NOT, IN WHOLE OR IN PART, APPROXIMATE THE ESTIMATES AND ASSUMPTIONS REPRESENTED IN THIS LIQUIDATION ANALYSIS. THE ACTUAL LIQUIDATION VALUE

[1] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the *Disclosure Statement for the Debtors' Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* (the "Disclosure Statement").

OF THE DEBTORS' ESTATES IS SPECULATIVE AND RESULTS COULD VARY MATERIALLY FROM ESTIMATES PROVIDED IN THIS LIQUIDATION ANALYSIS.

THE RECOVERIES SHOWN DO NOT CONTEMPLATE A SALE OR SALES OF THE DEBTORS' BUSINESS UNITS ON A GOING CONCERN BASIS. WHILE THE DEBTORS MAKE NO ASSURANCES, IT IS POSSIBLE THAT PROCEEDS RECEIVED FROM SUCH GOING CONCERN SALE(S) WOULD BE MORE THAN IN THE HYPOTHETICAL LIQUIDATION, THE COSTS ASSOCIATED WITH THE SALE(S) WOULD BE LESS, FEWER CLAIMS WOULD BE ASSERTED AGAINST THE BANKRUPTCY ESTATES AND/OR CERTAIN ORDINARY COURSE CLAIMS WOULD BE ASSUMED BY THE BUYER(S) OF SUCH BUSINESS(ES).

THIS LIQUIDATION ANALYSIS IS A HYPOTHETICAL EXERCISE THAT HAS BEEN PREPARED FOR THE SOLE PURPOSE OF PRESENTING A REASONABLE, GOOD FAITH ESTIMATE OF THE PROCEEDS THAT WOULD BE REALIZED IF THE DEBTORS WERE LIQUIDATED IN ACCORDANCE WITH CHAPTER 7 OF THE BANKRUPTCY CODE AS OF THE PLAN EFFECTIVE DATE. THIS LIQUIDATION ANALYSIS IS NOT INTENDED AND SHOULD NOT BE USED FOR ANY OTHER PURPOSE. THIS LIQUIDATION ANALYSIS DOES NOT PURPORT TO BE A VALUATION OF THE DEBTORS' ASSETS AS A GOING CONCERN, AND THERE MAY BE A SIGNIFICANT DIFFERENCE BETWEEN THIS LIQUIDATION ANALYSIS AND THE VALUES THAT MAY BE REALIZED OR CLAIMS GENERATED IN AN ACTUAL LIQUIDATION. NOTHING CONTAINED IN THIS LIQUIDATION ANALYSIS IS INTENDED TO BE, OR CONSTITUTES, A CONCESSION, ADMISSION, OR ALLOWANCE OF ANY CLAIM BY THE DEBTORS. THE ACTUAL AMOUNT OR PRIORITY OF ALLOWED CLAIMS IN THE CHAPTER 11 CASES COULD MATERIALLY DIFFER FROM THE ESTIMATED AMOUNTS SET FORTH AND USED IN THIS LIQUIDATION ANALYSIS. THE DEBTORS RESERVE ALL RIGHTS TO SUPPLEMENT, MODIFY, OR AMEND THE ANALYSIS SET FORTH HEREIN.

Basis of Presentation

This Liquidation Analysis has been prepared assuming that the Debtors convert their current chapter 11 cases to cases under chapter 7 of the Bankruptcy Code on or about September 4, 2019 (the "Conversion Date").[2] Except as otherwise noted herein, this Liquidation Analysis is based upon the unaudited balance sheets of the Debtors as of May 31, 2019 and those values, in total, are assumed to be representative of the Debtors' assets and liabilities as of the Conversion Date. Certain balances, including cash, inventory, prepaid expenses, and amounts drawn under the DIP ABL Facility and the DIP Term Loan Facility have been projected forward to the Conversion Date. For example, the estimated net book value for certain assets was projected by rolling forward certain of the unaudited net book values for the Debtors based on the financial projections (the "Financial Projections") in the Debtors' business plan. Additionally, this Liquidation Analysis considered the analysis of certain third-party appraisers to estimate recoveries in a liquidation for the Debtors' accounts receivable and inventory and further adjusted accounts receivable for potential setoff claims. As noted above, the assets available to the Debtors in an actual liquidation may differ from the assets assumed to be available pursuant to this Liquidation Analysis.

In preparing this Liquidation Analysis, the Debtors estimated Allowed Claims in addition to the debt Claims based upon a review of the Debtors' financial statements. In addition, this Liquidation Analysis includes estimates for Claims not currently asserted in the chapter 11 cases, but which could be asserted and Allowed in a chapter 7 liquidation, including unpaid chapter 11 Administrative Claims, chapter 7 Administrative Claims such as liquidation and wind-down expenses, trustee fees, tax liabilities, and professional fees attributable to the liquidation and wind-down. To date, the Bankruptcy Court has not estimated or otherwise fixed the total amount of Allowed Claims that were used for purposes of preparing this Liquidation Analysis. Therefore, the Debtors' estimate of Allowed Claims set forth in this Liquidation Analysis should not be relied on for any other purpose, including determining the value of any distributions to be made on account of Allowed Claims and Interests under the Plan.

[2] In the case of Hollander Canada, the Debtor's assets may be liquidated pursuant to the provisions of Canada's federal *Bankruptcy and Insolvency Act*, RSC, 1985, c B-3.

Conversion Date and Appointment of a Chapter 7 Trustee

This Liquidation Analysis assumes that on the Conversion Date, the Bankruptcy Court would appoint a chapter 7 trustee to oversee the liquidation of the Debtors' estates, during which time all of the Debtors' assets would be sold or surrendered and the cash proceeds, net of liquidation-related costs, would then be distributed to creditors in accordance with applicable law. There can be no assurance, however, that the liquidation would be completed within a certain timeframe, nor is there any assurance that the recoveries assigned to the assets would in fact be realized. In accordance with section 704 of the Bankruptcy Code, a trustee must, among other duties, collect and convert the property of the estate as expeditiously (generally at distressed prices) as is compatible with the best interests of parties in interest. In addition, there is a significant likelihood that each of the Debtors' foreign non-debtor affiliates would commence insolvency proceedings under their respective local foreign jurisdictions because of the wind-down of the Debtors.

Deconsolidated Liquidations

This Liquidation Analysis assumes that the Debtors would be liquidated in a jointly administered, but not substantively consolidated proceeding, and takes into account the differences in collateral under the DIP ABL Facility and the DIP Term Loan Facility with respect to the United States and Canada as well as the administrative priority status of intercompany claims arising postpetition. The results of this analysis have been consolidated for convenience.

Additional Global Notes and Assumptions

This Liquidation Analysis should be read in conjunction with the following global notes and assumptions:

1. Unaudited Financial Statements. This Liquidation Analysis contains numerous estimates. Except as otherwise noted herein, available recoveries are based upon the unaudited financial statements and balance sheets of the Debtors as projected as of the Conversion Date.

2. Chapter 7 Liquidation Costs. The Debtors have assumed that a hypothetical chapter 7 liquidation would last approximately six months in order to pursue orderly sales of substantially all remaining assets and collect receivables as well as to arrange distributions and otherwise administer and close the estates. In an actual liquidation, the length of the wind-down process could vary significantly, thereby impacting recoveries. Accordingly, there can be no assurance that the values reflected in this Liquidation Analysis would be realized if the Debtors were, in fact, to undergo such a liquidation.

3. Distribution of Net Proceeds. Pursuant to section 726 of the Bankruptcy Code, Allowed Administrative Claims incurred by the chapter 7 trustee, including expenses affiliated with selling the Debtors' assets, are entitled to payment in full prior to any distribution to chapter 11 Administrative Claims or Other Priority Claims. The estimate used in this Liquidation Analysis for these expenses includes estimates for operational expenses and certain legal, accounting, and other professionals, as well as an assumed 3% fee based upon liquidated assets payable to the chapter 7 trustee. Since the majority of the net proceeds of the liquidation of non-cash assets would be for the benefit of Holders of DIP Claims, it is assumed that the chapter 7 administrative and other priority Claims, post-conversion operational expenses and professional fees, and chapter 7 trustee fees are entitled to payment in full prior to any distribution to Holders of DIP Claims. Any remaining net Cash would then be distributed to creditors in accordance with applicable law in the following priority: (a) first to pay the secured portions of any Allowed Secured Claims, including the DIP Claims, in accordance with their respective priorities in the applicable collateral securing such Allowed Secured Claims, (b) second to pay any Allowed Administrative Claims and Other Priority Claims; and (c) third to creditors holding General Unsecured Claims, including deficiency Claims that arise to the extent of any unsecured portion of Allowed Secured Claims.

   Under the absolute priority rule, no junior creditor at a given entity would receive any distribution until all senior creditors are paid in full at such entity, and no equity holder at such entity would receive any distribution until all creditors at such entity are paid in full. The assumed distributions to creditors as reflected in this Liquidation Analysis are estimated in accordance with the absolute priority rule.

4. Certain Exclusions and Assumptions. This Liquidation Analysis does not include detailed estimates for the tax consequences that may be triggered upon the liquidation and sale events included in the analysis. Such tax consequences may be material.

II. CONCLUSIONS

THE DEBTORS HAVE DETERMINED, AS SUMMARIZED IN THE FOLLOWING ANALYSIS, THAT CONFIRMATION OF THE PLAN WILL PROVIDE CREDITORS WITH A RECOVERY THAT IS NOT LESS THAN WHAT THEY WOULD OTHERWISE RECEIVE IN CONNECTION WITH A LIQUIDATION OF THE DEBTORS UNDER CHAPTER 7 OF THE BANKRUPTCY CODE.

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SUMMARY OF ESTIMATED RECOVERIES FOR CLAIMS AND INTERESTS

Class	Name of Class Under Plan	Status Under the Plan	Estimated Percentage Recovery Under the Plan	Recovery Under Hypothetical Liquidation (Low)	Recovery Under Hypothetical Liquidation (High)
1	Other Priority Claims	Unimpaired	100%	$0	$0
2	Other Secured Claims	Unimpaired	100%	$0	$0
3	Secured Tax Claims	Unimpaired	100%	$0	$0
4	Term Loan Claims	Impaired	[•]%	$0	$0
5	General Unsecured Claims	Impaired	0%	$0	$0
6	Hollander Canada General Unsecured Claims	Impaired	0%	$0	$0
7	Intercompany Claims	Impaired or Unimpaired	0–100%	$0	$0
8	Intercompany Interests	Impaired or Unimpaired	0–100%	N/A	N/A
9	Interests in Dream II	Impaired	0%	N/A	N/A
10	Section 510(b) Claims	Impaired	0%	N/A	N/A

III. NOTES FOR PROCEEDS AVAILABLE FOR DISTRIBUTION

A. Gross Liquidation Proceeds

1. Cash and Cash Equivalents: This Liquidation Analysis projects the level of cash balances on hand from May 31, 2019 to balances on hand at the Conversion Date, which balances are assumed to be recoverable at 100%.

2. Accounts Receivable: Accounts receivable balances as of the Conversion Date net of reserves are assumed to be comparable to accounts receivable as of May 31, 2019. Net recoverable rates were adjusted based on the experience of management and the Company's advisors, including with respect to dilution on account of potential customer setoff claims.

3. Inventory: The net recoverable rates were based on net orderly liquidation values presented in the borrowing base for the DIP ABL Facility and were adjusted for historical experience, the Company's advisors' experiences, and conversations and bids received for excess and inactive inventory from experienced members of the liquidation community. Recovery assumptions range between approximately 7.5% and 30% of net book value

after deducting operating expenses such as payroll, occupancy, freight, and fees. This Liquidation Analysis assumes that inventory is sold "as is, where is" during the liquidation period.

4. Prepaid Expenses: The Debtors have prepaid certain expenses, including but not limited to, insurance, inventory purchases, royalties, and various contractual obligations, such as annual technology license fees, among others. This Liquidation Analysis assumes that prepaid amounts will continue to be consumed during the liquidation period, to offset against potential liabilities, or otherwise deemed non-recoverable. This Liquidation Analysis assumes recovery rates of between 25% and 32% of net book value, with estimated recoveries coming from unearned insurance premiums and the liquidation of prepaid inventory in transit.

5. Fixed Assets: Fixed assets include all manufacturing plant machinery and equipment owned by the Debtors as well as leasehold improvements, furniture and fixtures, office equipment, computer equipment, capital lease obligations, and owned real property. The most significant assets in this category include the plant production equipment and facility leasehold improvements.

   The Debtors have not had a third-party appraisal but estimate property, fixtures, and equipment to be recoverable at approximately 5%–12%. These assets are assumed to have a low recoverable rate to book value based upon, among other things, the age and condition of the equipment and the amount of similar assets being wound down at the same time. Management considered the foregoing factors when determining the recovery range for fixed assets.

6. Intangible Assets: Intellectual property owned by the Debtors is comprised of goodwill, favorable leasehold interests, trademarks, patents, license agreements, and e-commerce registered domain names (collectively, the "Debtors' IP").

   This Liquidation Analysis uses the forced liquidation value and assumes recoverable rates between 10% and 20% of net book value for trademarks and patents resulting in estimated proceeds of $1.9 million to $3.8 million. The value is assumed to be realized through a marketing process administered by the chapter 7 trustee to third-party buyers in the first two months of the liquidation period. Proceeds from liquidating license agreements have not been included because of uncertainty regarding potential restrictions on assignment under applicable law.

   With the exception of one owned real property asset, the Debtors lease their plants, warehouses, and office premises. Based upon a preliminary review by management of existing lease terms relative to market, it was determined that no existing real property leases contained material value in an assignment scenario. This assessment is based on the location of the plants, local market conditions, and the remaining lease term, among other things. For example, certain of the Debtors' existing leases were entered into in the last one to two years at current market rents.

   The Debtors do not have customer or vendor contracts and believe no value can be ascribed to any executory contracts that are assignable under applicable law.

7. Other Long-Term Assets: Other long-term assets consist of rent and utility deposits, professional retainers, deferred loan costs, investments in subsidiaries and intercompany accounts receivable and accounts payable. In a review of the details in each grouping, management determined monetization to be of *de minimus* value and therefore such assets are not included.

B. Liquidation Costs

8. Chapter 7 Professional Fees: Professional fees include costs for financial advisors, attorneys, accountants, and other professionals retained by the chapter 7 trustee. Professional fees were estimated to range from approximately $900,000 to $1.125 million for the liquidation period, based on an estimate of approximately $150,000 to $175,000 per month.

9. Chapter 7 Trustee Fees: In a chapter 7 liquidation, the Bankruptcy Court may allow reasonable compensation for the trustee's services not to exceed a certain percentage of such proceeds greater than a set amount upon all proceeds disbursed or turned over in the case by the trustee to parties in interest. Chapter 7 trustee fees were estimated at 3% of net liquidation proceeds, excluding recoveries related to cash and cash equivalents.

10. Chapter 7 Trustee Expenses: During the chapter 7 liquidation period, the trustee will incur certain costs charged by outside third parties that are necessary to properly administer the liquidation process. Such costs are likely to include facilities security costs and temporary labor costs, among others. For the entirety of the chapter 7 process, these costs have been estimated to range from $275,000 to $550,000.

11. Chapter 7 Estate Wind-Down Costs: During the chapter 7 liquidation period, the trustee will incur certain costs charged by outside third parties that are necessary to wind-down the estates. Such costs are likely to include bank account fees, de-registration fees and other miscellaneous items. For the entirety of the wind-down process, these costs have been estimated to range from $125,000 to $375,000.

C. Claims

12. Professional Fee Carve-Out: The DIP Order provides that certain unpaid and accrued professional fees and expenses shall be entitled to priority above the DIP Claims as well as Claims and fees to which the DIP Claims are senior. This Liquidation Analysis estimates this amount to be approximately $6.1 million as of the Conversion Date.

13. DIP Claims: This Liquidation Analysis assumes that the proceeds would be distributed to holders of DIP Claims in accordance with their relative priority taking into account the priority collateral under each facility.

    - DIP ABL Claims: This Liquidation Analysis assumes that the balance of the DIP ABL Facility is approximately $52 million as of the Conversion Date, including outstanding letters of credit.

    - Last Out DIP Loan Claims: This Liquidation Analysis assumes that the balance of the Last Out DIP Loan Claims is approximately $15 million as of the Conversion Date.

    - DIP Term Loan Claims: This Liquidation Analysis assumes that the balance of the DIP Term Loan Facility is approximately $28 million as of the Conversion Date.

14. Other Secured Claims: This Liquidation Analysis assumes Other Secured Claims to include Secured Claims related to capital lease obligations, which are estimated to be approximately $572,000 as of the Conversion Date.

15. Term Loan Claims: This Liquidation Analysis assumes Term Loan Claims to be approximately $166.5 million as of the Conversion Date.

16. Administrative and Priority Claims:

    - Administrative Claims: Administrative Claims include unpaid postpetition accounts payable, accrued operating expenses, Claims arising under section 503(b)(9) of the Bankruptcy Code, and unpaid postpetition taxes, among others. This Liquidation Analysis assumes Administrative Claims to range from approximately $6.1 million to approximately $7.1 million.

    - Diminution in Value Administrative Claims: This Liquidation Analysis assumes that no superpriority administrative expense claims were Allowed on account of any diminution in value. If diminution in value Claims were Allowed, the recoveries set forth in this Liquidation Analysis for all other Holders of Claims and Interests junior to such diminution in value Claims would be reduced.

    - Priority Claims: Priority Claims include Priority Tax Claims and Other Priority Claims. Total Priority Claims are estimated to range from approximately $700,000 to approximately $975,000.

17. General Unsecured Claims: This Liquidation Analysis assumes General Unsecured Claims will include, among others: (a) prepetition trade Claims, (b) Hollander Canada General Unsecured Claims, (c) rejection damages Claims, and (d) deficiency Claims.

- Trade Claims: Of the total amount of General Unsecured Claims, Claims related to trade payables are estimated to be approximately $80.5 million as of the Conversion Date.

- Hollander Canada General Unsecured Claims: Hollander Canada General Unsecured Claims are estimated to be approximately $12.25 million as of the Conversion Date, which includes approximately $1.75 million in Hollander General Unsecured Claims related to the rejection of executory contracts and unexpired leases at Hollander Canada.

- Rejection Damages Claims: Rejection damages Claims include Claims related to the rejection of the Debtors' executory contracts and unexpired leases. Of the total amount of General Unsecured Claims, rejection damages Claims and are estimated to be $17 million as of the Conversion Date.

  Deficiency Claims: Of the total amount of General Unsecured Claims, the deficiency Claim under the DIP ABL Facility is estimated to range from $0 to approximately $6.5 million, the deficiency Claim under the Last Out DIP Loans is estimated to range from approximately $12.4 million to $15 million, the deficiency Claim under the DIP Term Loan Facility is estimated to range from approximately $22.4 million to $25.3 million, and the deficiency Claim under the Term Loan Facility is estimated to be approximately $166.5 million as of the Conversion Date.

IV. LIQUIDATION ANALYSIS RESULTS

The following pages present the results for the hypothetical liquidation of the Debtors.[3] This Liquidation Analysis is presented on a consolidated basis for all Debtors.

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[3] The estimated claims on the following pages may differ to the estimated claims included in the Disclosure Statement as a result of differing assumptions between the going-concern and liquidation scenarios.

	Balance Sheet at 5/31/19 as adjusted	Estimated % Recovery			Estimated Proceeds ($)		
		Low	Med	High	Low	Med	High
Cash							
HSP U.S.	277,931	100%	100%	100%	277,931	277,931	277,931
HSP Canada	288,882	100%	100%	100%	288,882	288,882	288,882
Dream II Holdings	-	0%	0%	0%	-	-	-
Cash Subtotal	**566,813**	**100%**	**100%**	**100%**	**566,813**	**566,813**	**566,813**
Accounts Receivable							
HSP U.S.	42,692,763	75%	80%	85%	32,019,572	34,154,210	36,288,849
HSP Canada	3,833,335	75%	80%	85%	2,875,001	3,066,668	3,258,335
Dream II Holdings	-	0%	0%	0%	-	-	-
Accounts Receivable Subtotal	**46,526,098**	**75%**	**80%**	**85%**	**34,894,573**	**37,220,878**	**39,547,183**
Inventory							
HSP U.S.	74,118,178	25%	28%	30%	18,529,545	20,382,499	22,235,453.40
HSP U.S. - Inactive/Obsolete per Perpetual	19,465,502	8%	10%	13%	1,459,913	1,946,550	2,433,188
HSP Canada	10,074,801	25%	28%	30%	2,518,700	2,770,570	3,022,440.16
HSP Canada - Inactive/Obsolete per Perpetual	1,484,418	8%	10%	13%	111,331	148,442	185,552
Dream II Holdings	-	0%	0%	0%	-	-	-
Inventory Subtotal	**105,142,899**	**22%**	**24%**	**27%**	**22,619,489**	**25,248,061**	**27,876,634**
Prepaid Expenses and Other Current Assets							
HSP U.S.	2,972,789	29%	31%	32%	875,000	912,500	950,000
HSP Canada	444,998	25%	28%	30%	111,249	122,374	133,499
Dream II Holdings	-	0%	0%	0%	-	-	-
Prepaid Expenses and Other Current Assets	**3,417,787**	**29%**	**30%**	**32%**	**986,249**	**1,034,874**	**1,083,499**
Fixed Assets							
HSP U.S.	18,108,920	5%	8%	10%	905,446	1,358,169	1,810,892
HSP U.S. - Owned Henderson, NC property/building	318,612	0%	50%	100%	-	159,306	318,612
HSP Canada	1,139,724	5%	8%	10%	56,986	85,479	113,972
Dream II Holdings	-	0%	0%	0%	-	-	-
Fixed Assets	**19,503,111**	**5%**	**8%**	**12%**	**962,432**	**1,602,954**	**2,243,476**
Deposits							
HSP U.S.	1,934,046	0%	0%	0%	-	-	-
HSP Canada	100,139	0%	0%	0%	-	-	-
Dream II Holdings	-	0%	0%	0%	-	-	-
Deposits	**2,034,185**	**0%**	**0%**	**0%**	**-**	**-**	**-**
Deferred Loan Costs							
HSP U.S.	1,424,920	0%	0%	0%	-	-	-
HSP Canada	-	0%	0%	0%	-	-	-
Dream II Holdings	-	0%	0%	0%	-	-	-
Deferred Loan Costs	**1,424,920**	**0%**	**0%**	**0%**	**-**	**-**	**-**
Investment in Subsidiaries							
HSP U.S.	99,512,391	0%	0%	0%	-	-	-
HSP Canada	-	0%	0%	0%	-	-	-
Dream II Holdings	58,024,312	0%	0%	0%	-	-	-
Investment in Subsidiaries	**157,536,703**	**0%**	**0%**	**0%**	**-**	**-**	**-**
Goodwill							
HSP U.S.	39,829,999	0%	0%	0%	-	-	-
HSP Canada	-	0%	0%	0%	-	-	-
Dream II Holdings	44,283,996	0%	0%	0%	-	-	-
Goodwill	**84,113,994**	**0%**	**0%**	**0%**	**-**	**-**	**-**
Favorable Leasehold Interests							
HSP U.S.	551,155	0%	0%	0%	-	-	-
HSP Canada	-	0%	0%	0%	-	-	-
Dream II Holdings	214,637	0%	0%	0%	-	-	-
Favorable Leasehold Interests	**765,792**	**0%**	**0%**	**0%**	**-**	**-**	**-**
Trade Name, Patents, IP							
HSP U.S.	3,996,120	10%	15%	20%	399,612	599,418	799,224
HSP Canada	-	0%	0%	0%	-	-	-
Dream II Holdings	14,954,581	10%	15%	20%	1,495,458	2,243,187	2,990,916
Trade Name	**18,950,701**	**10%**	**15%**	**20%**	**1,895,070**	**2,842,605**	**3,790,140**
License Agreements							
HSP U.S.	-	0%	0%	0%	-	-	-
HSP Canada	-	0%	0%	0%	-	-	-
Dream II Holdings	7,101,994	0%	0%	0%	-	-	-
License Agreements Subtotal	**7,101,994**	**0%**	**0%**	**0%**	**-**	**-**	**-**
Intercompany AR & AP							
HSP U.S.	138,927,465	0%	0%	0%	-	-	-
HSP Canada	7,680,799	0%	0%	0%	-	-	-
Dream II Holdings	(164,592,809)	0%	0%	0%	-	-	-
Intercompany AR & AP	**(17,984,545)**	**0%**	**0%**	**0%**	**-**	**-**	**-**
Total ABL DIP Assets / Proceeds - USA	**141,128,157**	**38%**	**41%**	**44%**	**53,161,960**	**57,673,691**	**62,185,421**
Total Term DIP Assets / Proceeds - USA	**287,972,296**	**1%**	**2%**	**2%**	**2,800,516**	**4,360,080**	**5,919,644**
Total Assets / Proceeds - Canada	**25,047,095**	**24%**	**26%**	**28%**	**5,962,150**	**6,482,415**	**7,002,681**

Less: Pre-conversion Professional Fee Carve-out - USA ABL DIP		5,526,230	5,525,000	5,523,950
Pre-conversion Professional Fee Carve-out - Canada		619,770	622,000	622,050
Less: Costs Associated with Liquidation:				
Chapter 7 Trustee Fees - USA proceeds ABL DIP		1,594,859	1,730,211	1,865,563
Chapter 7 Trustee Fees - USA proceeds Term DIP		84,015	130,802	177,589
Chapter 7 Trustee Fees - Canada proceeds		178,865	194,472	210,080
Chapter 7 Trustee Professionals - ABL DIP USA		797,429	865,105	932,781
Chapter 7 Trustee Professionals - Term DIP USA		42,008	65,401	88,795
Chapter 7 Trustee Professionals - Canada		89,432	97,236	105,040
Chapter 7 Trustee Costs (facilities security, temp labor, etc.) - ABL DIP USA		237,489	348,643	456,540
Chapter 7 Trustee Costs (facilities security, temp labor, etc.) - Term DIP USA		12,511	26,357	43,460
Chapter 7 Trustee Costs (facilities security, temp labor, etc.) - Canada		25,000	37,500	50,000
Chapter 7 Trustee Costs (GST) - Canada		447,161	486,181	525,201
Wind-Down Costs - USA ABL DIP		94,996	185,943	273,924
Wind-Down Costs - USA Term DIP		5,004	14,057	26,076
Wind-Down Costs - Canada		25,000	50,000	75,000
Total Costs Associated with Liquidation - ABL DIP USA		2,724,773	3,129,902	3,528,808
Total Costs Associated with Liquidation - Term DIP USA		143,538	236,618	335,919
Total Costs Associated with Liquidation - Canada		765,458	865,390	965,322
Total ABL DIP Net Proceeds Available for Distribution - USA		**44,910,958**	**49,018,788**	**53,132,662**
Total Term DIP Net Proceeds Available for Distribution - USA		**2,656,978**	**4,123,462**	**5,583,725**
Total Net Proceeds Available for Distribution - Canada		**4,576,922**	**4,996,026**	**5,415,309**

Claim Recovery Analysis

Net Proceeds Available for Distribution to SuperPriority ABL DIP Claim Holders - USA		**44,910,958**	**49,018,788**	**53,132,662**
Net Proceeds Available for Distribution to Term DIP Claim Holders - USA		**2,656,978**	**4,123,462**	**5,583,725**
Net Proceeds Available for Distribution to SuperPriority ABL DIP Claim Holders - Excess Canadian Liquidation Proceeds		**576,922**	**996,026**	**1,415,309**
Total Proceeds Available - USA		**48,144,857**	**54,138,277**	**60,131,696**
Less: Secured Claims - USA				
	DIP ABL Claim - US	47,004,676	47,004,676	47,004,676
	DIP ABL - Letters of Credit	4,980,000	4,980,000	4,980,000
	Total ABL DIP	51,984,676	51,984,676	51,984,676
Net Proceeds Available for Distribution to Last Out DIP Claim Holders - USA		**(6,496,797)**	**(1,969,862)**	**2,563,295**
Less: Secured Claims - USA	Last Out DIP Loan	15,000,000	15,000,000	15,000,000
Net Proceeds Available for Distribution to Secured Term Lender DIP - USA		(21,496,797)	(16,969,862)	(12,436,705)
Secured Claims - USA	Term Lender DIP Loan	28,000,000	28,000,000	28,000,000
Less: Recovery - exclusive collateral		2,656,978	4,123,462	5,583,725
		25,343,022	23,876,538	22,416,275
Secured Superpriority ABL DIP Deficiency Claim after distributions		6,496,797	1,969,862	-
Secured Last Out DIP Deficiency Claim after distributions		15,000,000	15,000,000	12,436,705
Secured Term Lender DIP Deficiency Claim after distributions		25,343,022	23,876,538	22,416,275
Secured Term Lender Prepetition Deficiency Claim		166,472,407	166,472,407	166,472,407
Net Proceeds Available for Distribution to SuperPriority ABL DIP Claim Holders - CANADA		**4,576,922**	**4,996,026**	**5,415,309**
Less: Secured Claims - CANADA				
	ABL DIP Claim - Canada	4,000,000	4,000,000	4,000,000
Net Proceeds Available for Distribution to Cross Collateralized SuperPriority ABL DIP Claim Holders		**576,922**	**996,026**	**1,415,309**
Postpetition Intercompany Payable - Canada Owes the US				
	Postpetition Interco Payable Claim - Canada	1,500,000	1,500,000	1,500,000
Net Proceeds Available for Distribution to General Unsecured Creditors - Canada		**-**	**-**	**-**
General Unsecured Claims (not incl. Deficiency claims) - USA		95,750,000	95,750,000	95,750,000
General Unsecured Claims (not incl. Deficiency claims) - Canada		12,250,000	12,250,000	12,250,000

Recovery Summary

	High	Medium	Low
Chapter 11 Professional fee Carve-out	100%	100%	100%
Chapter 7 Costs incl. Wind-down	100%	100%	100%
DIP ABL Claims	100%	96%	88%
DIP ABL Claims - Canada	100%	100%	100%
DIP Last Out Loan Claim	17%	0%	0%
DIP Term Loan Claims	20%	15%	9%
Other Secured Claims	0%	0%	0%
Pre-petition Term Loan Claims	0%	0%	0%
Priority Claims	0%	0%	0%
Chapter 11 Administrative Claims	0%	0%	0%
Chapter 11 General Unsecured Claims	0%	0%	0%

Exhibit 2

Redline

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Counsel to the Debtors and Debtors in Possession

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
HOLLANDER SLEEP PRODUCTS, LLC, *et al.*,[1]	)	Case No. 19-11608 (MEW)
Debtors.	)	(Jointly Administered)

DISCLOSURE STATEMENT FOR THE DEBTORS' FIRST AMENDED JOINT PLAN OF REORGANIZATION PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE

~~**This is not a solicitation of votes to accept or reject the Plan in accordance with section 1125 of the Bankruptcy Code and within the meaning of section 1126 of the Bankruptcy Code. 11 U.S.C. §§ 1125, 1126. This Disclosure Statement is being submitted for approval but has not been approved by the Bankruptcy Court. The information in this Disclosure Statement is subject to change. This Disclosure Statement is not an offer to sell any securities and is not soliciting an offer to buy any securities.**~~

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors' service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

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unsecured creditors with upside in the event that the prepetition term lenders' recovery increases. More specifically, the Plan provides for general unsecured creditors to share pro rata in the following recoveries:

- ***Reorganization***: the GUC Reorganization Recovery Pool will be funded with cash in the amount of $500,000. Further, if the Reorganized Debtors are sold within 24 months of the Effective Date and the term loan lenders receive more than a 30% recovery on account of their prepetition term loan claims (which shall be calculated after the repayment of other obligations repaid as part of such transaction), the Future Sale Consideration will be funded with 5% of each dollar in excess of such 30% recovery. In lieu of the right to recover from the GUC Reorganization Recovery Pool, certain vendors may become "Supporting Vendors," which will allow such vendors to receive either (a) a 1% recovery on their prepetition claims and a premium for providing the Reorganized Debtors with favorable trade credit or (b) go-forward protection through a letter of credit provided by the Reorganized Debtors to ensure payment of obligations.

- ***Sale Toggle***: the GUC Sale Transaction Recovery Pool will be funded with the first $600,000 of cash from the available proceeds of the Term Loan Priority Collateral, *plus* if the prepetition term loan lenders receive more than a 30% recovery on account of their prepetition term loan claims (based on the full amount of each such Holder's Term Loan Claims), 5% of each dollar in excess of such 30% recovery, *plus* if the prepetition term loan lenders receive more than a 50% recovery on account of their prepetition term loan claims (based on the full amount of each such Holder's Term Loan Claim), 7.5% of each dollar in excess of such 50% recovery.

- ***All Scenarios***: Sentinel will cause to be funded the Last Out Loans Turnover Amount, which is an amount up to $650,000 in the aggregate in cash for the benefit of general unsecured creditors, which amount will be paid from (i) the first $200,000 of any proceeds distributed to Sentinel (or its affiliates) as a holder of Last Out DIP Loan Claims on account of such Claims (including, after being rolled into any Exit ABL Facility, on account of any repayment as part of such Exit ABL Facility), *plus* (ii) 50 percent of each dollar received in excess of the first $200,000 of any such proceeds distributed to Sentinel or its affiliates as a Holder of Last Out DIP Loan Claims, up to a total maximum amount of $650,000 (inclusive of the first $200,000 of proceeds paid).

The Plan is supported by the Debtors' ABL Lenders, 100 percent of the Term Loan Lenders, Sentinel, and the UCC. The compromises and settlements to be implemented pursuant to the Plan preserve value by enabling the parties to avoid costly and time-consuming litigation that could potentially delay the Debtors' emergence from chapter 11. The proposed Plan maximizes creditor recoveries, meaningfully reduces the Debtors' aggregate funded debt, and best positions the Debtors for future success. The Plan is subject to the Debtors' fiduciary duties to maximize the value of their estates. The Debtors will therefore continue to review all options for their primary assets, and remain willing and able to talk to all parties regarding alternative viable and feasible chapter 11 plans. The fiduciary out in the A&R RSA allows the Debtors to consider all options should an improved deal construct emerge.

The formulation of the Plan, with the overwhelming support of the Debtor's secured creditors and the support of the UCC, is a significant achievement for the Debtors in the face of challenging circumstances. The Debtors strongly believe that the Plan is in the best interests of the Debtors' estates, represents the best available path to restructuring, and significantly deleverages the Debtors' consolidated balance sheet at a critical time. As such, the Debtors seek the Bankruptcy Court's approval of the Plan and strongly urge all Holders of Claims entitled to vote to accept the Plan by returning their ballots, so as to be **actually received** by Omni Management Group, the Debtors' solicitation agent (the "Solicitation Agent"), no later than ~~[~~**August 28, 2019**~~]~~**, at 4:00 p.m., prevailing Eastern Time** (the "Voting Deadline"). The Debtors will seek the Bankruptcy Court's approval of the Plan at the Confirmation Hearing (as defined herein).

Class	Type of Claim or Interest	Plan Treatment	Estimated Allowed Claims or Interests	Estimated Range of % Recovery Under Plan	Estimated Range of % Recovery Under Chapter 7
Class 8	Interests in Dream II	Impaired	N/A	0%	N/A
Class 9	Section 510(b) Claims	Impaired	N/A	0%	N/A

Based on the foregoing, (i) Holders of Claims in Class 4 and Class 5 are impaired under the Plan, and, therefore, are entitled to vote, (ii) Holders of Claims in Class 1, Class 2, and Class 3 are not impaired under the Plan and, therefore, are conclusively presumed to have accepted the Plan, (iii) Holders of Claims and Interests in Class 8 and Class 9 are receiving no distribution under the Plan and, therefore, are deemed to reject the Plan, and (iv) Holders of Claims and Interests in Class 6 and Class 7 are either impaired or unimpaired and will be presumed to accept or deemed to reject the Plan.

ARTICLE III.
SOLICITATION AND VOTING PROCEDURES

A. *Solicitation Packages.*

On ~~[●]~~July 25, 2019, the Bankruptcy Court entered the order approving the Disclosure Statement [Docket No. 247] (the "Disclosure Statement Order"). For purposes of this Article III, capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Disclosure Statement Order. Pursuant to the Disclosure Statement Order, Holders of Claims who are eligible to vote to accept or reject the Plan will receive appropriate solicitation materials (in paper or electronic form) including (the "Solicitation Package"):

- the Disclosure Statement, as approved by the Bankruptcy Court (with all exhibits thereto, including the Plan);
- the Disclosure Statement Order (without exhibits thereto);
- the Solicitation and Voting Procedures;
- the Confirmation Hearing Notice;
- an appropriate ballot with voting instructions with respect thereto, together with a pre-addressed, postage prepaid return envelope;
- a cover letter from the Debtors (1) describing the contents of the Solicitation Package and (2) urging the Holders of Claims in each of the Voting Classes to vote to accept the Plan; and
- any supplemental documents the Debtors may file with the Bankruptcy Court or that the Bankruptcy Court orders to be made available.

The Solicitation Package shall provide the Plan, the Disclosure Statement, and the Disclosure Statement Order (without exhibits) in electronic format (flash drive or CD-ROM), and all other contents of the Solicitation Package, including Ballots and these Solicitation and Voting Procedures, shall be provided in paper format. Any party that receives the materials in electronic format but would prefer paper format (to be provided at the Debtors' expense) may contact the Solicitation Agent by: (a) calling the Debtors' restructuring hotline at (844) 212-9942 within the United States or Canada or, outside of the United States or Canada, by calling

+1 (818) 906-8300; (b) visiting the Debtors' restructuring website at: www.omnimgt.com/hollander; (c) writing to Omni directly at Hollander Sleep Products, LLC, c/o Omni Management Group, 5955 DeSoto Avenue, Suite #100, Woodland Hills, CA 91367; and/or (d) emailing hollanderballots@omnimgt.com and requesting paper copies of the corresponding materials previously received in electronic format.

B. *Voting Deadline.*

The deadline to vote on the Plan is ~~[~~August 28, 2019~~]~~, at 4:00 p.m., prevailing Eastern Time. All votes to accept or reject the Plan must be received by the Solicitation Agent by the Voting Deadline.

C. *Voting Procedures.*

The Debtors are distributing this Disclosure Statement, accompanied by a ballot to be used for voting to accept or reject the Plan, to the Holders of Claims entitled to vote to accept or reject the Plan. If you are a Holder of a Claim in Class 4 (Term Loan Claims) or Class 5 (General Unsecured Claims) you may vote to accept or reject the Plan by completing the applicable ballot and returning it according to the instructions received.

The Debtors have retained Omni Management Group LLC to serve as the Solicitation Agent [Docket No. 170]. The Solicitation Agent is available to answer questions, provide additional copies of all materials, oversee the voting process, and process and tabulate ballots for each class entitled to vote to accept or reject the Plan.

VOTING INQUIRIES
If you have any questions on the procedure for voting on the Plan, please call the Solicitation Agent at: (844) 212-9942 (within the United States or Canada) or, +1 (818) 906-8300 (international)

More detailed instructions regarding how to vote on the Plan are contained on the ballots distributed to Holders of Claims that are entitled to vote to accept or reject the Plan. All votes to accept or reject the Plan must be cast by following the instructions set forth in the applicable ballot. All ballots must be properly executed, completed, and delivered according to their respective voting instructions, so that the votes are **actually received** by the Solicitation Agent no later than the Voting Deadline. Any ballot that is properly executed by the Holder of a Claim entitled to vote that does not clearly indicate an acceptance or rejection of the Plan or that indicates both an acceptance and a rejection of the Plan will not be counted. Ballots received by facsimile or by electronic means will not be counted, unless specifically authorized in the applicable ballot.

Each Holder of a Claim entitled to vote to accept or reject the Plan may cast only one ballot for each Claim held by such Holder. By signing and returning a ballot or otherwise voting pursuant to the instructions set forth on the ballot, each Holder of a Claim entitled to vote will certify to the Bankruptcy Court and the Debtors that no other votes with respect to such Claim has been cast or, if any other votes have been cast with respect to such Claim, such earlier votes are superseded and revoked.

All ballots will be accompanied by return envelopes or alternate instructions for submitting your vote. The Holder must follow the specific instructions provided therein, as failing to do so may result in the Holder's vote not being counted.

D. *Plan Objection Deadline.*

The Bankruptcy Court has established ~~[~~August 28, 2019~~]~~, as the deadline to object to confirmation of the Plan (the "Plan Objection Deadline"). All such objections must be filed with the Bankruptcy Court and served in accordance with the *Order (A) Establishing Certain Notice, Case Management, and Administrative Procedures and (B) Granting Related Relief* [Docket No. 184] (the "Case Management Order") and Disclosure Statement Order

so that they are **actually received** on or before the Plan Objection Deadline. The Debtors believe the Plan Objection Deadline, as established by the Bankruptcy Court, affords the Bankruptcy Court, the Debtors, and other parties in interest reasonable time to consider the objections to the Plan before a Confirmation Hearing.

E. *Confirmation Hearing*.

Assuming the requisite acceptances are obtained for the Plan, the Debtors intend to seek confirmation of the Plan at a hearing ~~the Debtors have requested be~~ scheduled on ~~[~~September 4, 2019~~]~~, at ~~[~~11:00 a.m.~~]~~, prevailing Eastern Time, before the Honorable Michael E. Wiles, United States Bankruptcy Judge, in Courtroom No. 617 of the United States Court for the Southern District of New York, One Bowling Green, New York, NY 10004 (such hearing, the "Confirmation Hearing"). The Confirmation Hearing may be continued from time to time without further notice other than an adjournment announced in open court or a notice of adjournment filed with the Bankruptcy Court and served on the entities who have filed objections to the Plan, without further notice to other parties in interest. The Bankruptcy Court, in its discretion and before a Confirmation Hearing, may put in place additional procedures governing such hearing. The Plan may be modified, if necessary, before, during, or as a result of the hearing to confirm the Plan without further notice to parties in interest.

ARTICLE IV.
THE DEBTORS' BACKGROUND

A. *The Debtors' Business*.

1. The Debtors' Corporate History.

The Debtors were founded in 1953 when Bernard Hollander started selling pillows door-to-door, operating out of his garage under the name Hollander Home Fashions. Shortly thereafter, the Debtors purchased a vacant manufacturing plant to expand their operations. A second generation of Hollanders later opened additional factories in Chicago and Los Angeles. Over the next several decades, the Debtors experienced significant growth, both organically and through the acquisition of competitors. This included acquiring licensing arrangements for several well-known brands, including Ralph Lauren®, and the acquisition of Louisville Bedding Company ("LBC") in May 2013 and PCF in June 2017. The Company also developed its own brands, including Live Comfortably and its associated sub-brands.

The Hollander family sold the business to HGGC, LLC in 2009. In October 2014, Sentinel purchased the Debtors from HGGC, LLC, and has remained the Debtors' controlling equity holder ever since. Today, the Debtors are headquartered in Boca Raton, Florida, operate a primary show room in New York City, and have thirteen manufacturing facilities throughout the United States and Canada. In addition to their North American operations, the Debtors' non-debtor affiliates maintain a sourcing, product development, and quality control office in China.

2. The Debtors' Business Segments.

The Debtors design, manufacture, market, and distribute a variety of basic bedding products, including pillows, mattress pads, comforters, and foam. Over the last few years, the Debtors have expanded into additional segments of the sleep market, such as the natural-fill, hospitality, and cushion segments, and have extended their reach into the segments in which they have always operated, both through strategic acquisitions of competitors and through brand and product development.

The Debtors maintain seven entities operating two primary business segments: the top-of-bed segment and the cushion (or furniture) segment. Approximately 95 percent of the Debtors' sales come from wholesale distribution, including to department stores, mass merchants and clubs, off-price retailers, specialty retailers, and hospitality customers. Approximately 5 percent of the Debtors' sales are from online sales. Recently, the Debtors have been working to increase their direct-to-consumer sales through e-commerce connections with their own websites, established retailers, and online marketers. The Debtors' two major business units currently employ

E. *Approval of the Exit Backstop Commitment Letter*.

On the Petition Date, the Debtors filed the Exit Financing Motion, which seeks authority to enter into a backstop commitment letter for a $30 million new money senior secured first-lien term loan facility (the "New Money Exit Term Loan") as part of the $58 million Exit Term Loan Facility, and a related fee letter.

The Debtors commenced these chapter 11 cases with a commitment from certain of their prepetition Term Loan Lenders to provide a holistic financing package to fund the Debtors' chapter 11 cases and go-forward business upon emergence. Specifically, the participating Term Loan Lenders agreed to fund the DIP Term Loan Facility that will roll into the $58 million Exit Term Loan Facility on the effective date of the Plan with a commitment to backstop the remaining $30 million of new money under the same facility. This committed exit financing is critical to the Debtors' chapter 11 cases, provides certainty to their reorganization, and sends a strong signal to the market that the Debtors will emerge from bankruptcy with sufficient liquidity. Additionally, the exit financing commitment is part of the comprehensive value-maximizing restructuring transaction embodied in the A&R RSA and Plan.

Consideration of the Exit Financing Motion is continued to the hearing on Plan confirmation or such other date that will be duly noticed.

F. *Marketing Process*.

Prior to the Petition Date, the Debtors commenced a marketing process to market test the restructuring transactions contemplated in the A&R RSA and Plan. On May 19, 2019, the Debtors filed a motion seeking approval of Bidding Procedures and a proposed confirmation schedule. The Bidding Procedures were approved on July 3, 2019 [Docket No. 180]. Under the Bidding Procedures, the deadline for parties to submit non-binding indications of interest ~~is~~was July 15, 2019, and the deadline for parties to submit binding bids is August 8, 2019. Bids must meet the requirements set forth in the Bidding Procedures. An auction, if any, will occur on August 12, 2019.

The Debtors are keeping the advisors to their major stakeholders (including the UCC, the ABL Lenders, the Term Loan Lenders, and Sentinel) apprised of this process, including any indications of interest received.

G. *Plan Exclusivity.*

The initial periods pursuant to section 1121 of the Bankruptcy Code during which the Debtors have the exclusive right to file and solicit a chapter 11 plan are set to expire on September 16, 2019, and November 19, 2019, respectively, absent extension.

H. *Key Employee Retention Program.*

On July 3, 2019, the Debtors filed a motion seeking approval of the Debtors' key employee retention programs (collectively, the "KERP") [Docket No. 186]. The Debtors designated 74 non insider employees to participate in the KERP, which is comprised of a standard retention plan (the "Hollander Retention Plan") and a retention plan specific to the wind down of the Thomson, Georgia manufacturing plant (the "Georgia Retention Plan"). The Hollander Retention Plan covers 47 employees, and the Georgia Retention Plan covers 28 participants.

Under the proposed programs, participants in the Hollander Retention Plan will each receive one retention payment with an average award of approximately $7,600 per participant, with no single participant eligible for an award totaling more than $20,000 and with $10,000 as the most common award. The awards under the Georgia Retention Plan are less substantial in both total amount and individual awards. The total payments proposed to be made under the Hollander Retention Plan and the Georgia Retention Plan will not exceed $559,000. A hearing on approval of the KERP has been scheduled for August 1, 2019.

I. *Thomson Plant Closure*.

As part of the Debtors' right-sizing efforts, the Debtors have commenced the process of closing their manufacturing plant located in Thomson, Georgia. The Debtors' wind-down plan for the Thomson plant complies with the WARN Act's requirements, and the Debtors do not anticipate that the closure will have a significant impact on these chapter 11 cases.

On July 3, 2019, the Debtors filed a motion seeking approval of a plant closure settlement agreement they reached with the Southern Regional Joint Board of Workers United, SEIU on behalf of Local 2420 [Docket No. 185]. A hearing on approval of the union settlement agreement has been scheduled for August 1, 2019.

J. *Schedules and Statements and Claims Process.*

On May 30, 2019, the Debtors filed the Bar Date Motion to set bar dates and establish procedures for filing proofs of claim in these chapter 11 cases. On June 21, 2019, the Bankruptcy Court entered an order approving the Bar Date Motion [Docket No. 120], which established July 29, 2019, at 5:00 p.m., prevailing Eastern Time, as the Claims Bar Date and November 15, 2019, at 5:00 p.m., prevailing Eastern Time, as the bar date for governmental units.

On June 21, 2019, the Debtors filed their Schedules of Assets and Liabilities and Statement of Financial Affairs (the "Schedules and Statements").

K. *Settlement with the UCC.*

As discussed above, the Debtors, the Term Loan Lenders, and Sentinel engaged the UCC on the terms of a comprehensive settlement. The Debtors and the UCC each made proposals, and the parties held an "all hands" meeting on June 27, 2019, to discuss the potential constructs for a global case resolution. Following that meeting, the parties exchanged numerous proposals, ultimately reaching an agreement in principle on July 13, 2019. The terms of this global agreement were documented in the A&R RSA between the parties and are incorporated in the Plan. The Debtors have separately filed a motion seeking authority to assume the A&R RSA and approval of the releases and settlements incorporated therein, which motion ~~will be~~is set for ~~a~~ hearing~~.~~ on August 1, 2019. If approved, certain provisions of the settlement would survive if the Plan is not confirmed and there is a liquidation (through either chapter 7 or chapter 11), including a more limited distribution to general unsecured creditors upon satisfaction of certain conditions.

The material terms of the settlement include:

- in a reorganization, the Term Loan Lenders will consent to (a) the Debtors' funding of the GUC Reorganization Recovery Pool for the benefit of the Holders of General Unsecured Claims with Cash in the amount of $500,000, *less* any fees, expenses, and disbursements of the Plan Administrator in excess of the Plan Administrator Budget, including any fees, expenses, and disbursements associated with the prosecution of Commercial Tort Claims, if any, and (b) if the Reorganized Debtors are sold within 24 months of the Effective Date and the Term Loan Lenders receive more than a 30% recovery on account of their Term Loan Claims (based on the full amount of each such Holder's Term Loan Claim) (which shall be calculated after payment in full of the Exit Facilities, any claims related to the foregoing, and any replacement or additional money raised to fund the Reorganized Debtors, the sources and uses of such sale transaction, and any other obligations repaid as part of such transaction), the Future Sale Consideration which shall consist of 5% of each dollar in excess thereof;

- in lieu of any recovery from the GUC Reorganization Recovery Pool, certain "Supporting Vendors" who agree to provide standard prepetition trade credit to the Reorganized Debtors on the most favorable terms extended by such vendor in the 12 months before the Petition Date (but in no event less than 60-day terms) for the 12-month period beginning on the Effective Date, the Debtors will pay such vendor either: (a)(i) a payment of 3.0% of the average outstanding payable balance for the 12-month period beginning on the

(d) if applicable, the Exit Facility Documents shall have been executed and delivered by all of the Entities that are parties thereto, and all conditions precedent (other than any conditions related to the occurrence of the Effective Date) to the consummation of the Exit Facilities shall have been waived or satisfied in accordance with the terms thereof, and the closing of the Exit Facilities (and the payment in full of the DIP ABL Claims pursuant to the Payoff Letter) shall be deemed to occur concurrently with the occurrence of the Effective Date;

(e) if applicable, the New Organizational Documents shall have been executed and delivered by each Entity party thereto and shall be in full force and effect, and the issuance of the New Interests shall be deemed to occur concurrently with the occurrence of the Effective Date; and

(f) if applicable, all conditions precedent to the consummation of the Sale Transaction shall have been satisfied in accordance with the terms thereof, and the closing of the Sale Transaction shall be deemed to occur concurrently with the occurrence of the Effective Date.

2. Waiver of Conditions.

Subject to and without limiting the rights of each party to the RSA, the conditions to Consummation set forth in Article IX of the Plan may be waived by the Debtors with the reasonable consent of the Term Loan Agent, the Required Term Lenders, the DIP ABL Agent (solely with respect to the economic and non-economic treatment of the DIP ABL Agent and DIP ABL Lenders pursuant to such order), the UCC (solely with respect to the economic and non-economic treatment of General Unsecured Claims), and the Sponsor (solely with respect to the economic and non-economic treatment of the Last Out Loans or the Last Out DIP Loans, as applicable) without notice, leave, or order of the Bankruptcy Court or any formal action other than proceeding to confirm or consummate the Plan.

3. Substantial Consummation.

"Substantial Consummation" of the Plan, as defined in section 1102(2) of the Bankruptcy Code, with respect to any of the Debtors, shall be deemed to occur on the Effective Date.

4. Effect of Failure of Conditions.

If the Effective Date of the Plan does not occur, the Plan shall be null and void in all respects and nothing contained in the Plan or the Disclosure Statement shall: (1) constitute a waiver or release of any Claims by the Debtors, or claims by any Holders or any other Entity; (2) prejudice in any manner the rights of the Debtors, any Holders, or any other Entity; or (3) constitute an admission, acknowledgment, offer or undertaking by the Debtors, any Holders, or any other Entity in any respect.

ARTICLE VII.
STATUTORY REQUIREMENTS FOR CONFIRMATION OF THE PLAN

The following is a brief summary of the confirmation process. Holders of Claims and Interests are encouraged to review the relevant provisions of the Bankruptcy Code and to consult their own advisors with respect to the summary provided in the Disclosure Statement.

A. *Confirmation Hearing.*

Section 1128(a) of the Bankruptcy Code requires a bankruptcy court, after notice, to conduct a hearing to consider confirmation of a chapter 11 plan. Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to confirmation of the Plan. **The ~~Debtors have requested that the~~ Bankruptcy Court has scheduled the Confirmation Hearing for ~~[~~September 4, 2019~~]~~, at ~~[~~11:00 a.m.~~]~~, prevailing Eastern Time.**

shareholders, members, management companies, fund advisors, employees, agents, advisory board members (other than members of the UCC), financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, each in their capacity as such ~~collectively~~and solely to the extent of such Entity's authority to bind any of the foregoing, including pursuant to agreement or applicable non-bankruptcy law; (o) all Holders of Claims that vote to accept the Plan; (p) all Holders of Claims that vote to reject the Plan but elect on their ballot to opt into the Third-Party Release; and (q) all Holders of Claims or Interests not described in the foregoing clauses (a) through (p) who elect to opt into the Third-Party Release.

Article VIII of the Plan provides for the exculpation of each Exculpated Party for certain acts or omissions taken in connection with these chapter 11 cases. The released and exculpated claims are limited in those claims or Causes of Action that may have arisen in connection with, related to, or arising out of the Plan, this Disclosure Statement, or these chapter 11 cases. The Exculpated Parties are in each case solely in its capacity as such: (a) the Debtors; (b) the Reorganized Debtors; (c) the UCC and each of its respective members; (d) the DIP Agents; (e) the DIP Lenders; (f) the Put Purchasers; (g) the ABL Agent; (h) the ABL Lenders; (i) the Term Loan Agent; (j) the Term Loan Lenders; (k) the Exit Facility Agents; (l) the Exit Facility Lenders; (m) the Sponsor; (n) the parties to the A&R RSA; and (o) with respect to each of the foregoing entities, such Entity and its current and former Affiliates, and such Entities' and their current Affiliates' directors, managers, officers, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, participants, successors, and assigns, subsidiaries, and each of their respective current and former equity holders, officers, directors, managers, principals, members, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, each in their capacity as such.

Article VIII of the Plan permanently enjoins Entities who have held, hold, or may hold Claims, Interests, or Liens that have been discharged or released pursuant to the Plan or are subject to exculpation pursuant to the Plan from asserting such Claims, Interests, or Liens against each Debtor, the Reorganized Debtors, and the Released Parties.

The Plan provides that all Holders of Claims or Interests who are entitled to vote on the Plan who vote to accept the Plan will be granting a release of any claims or rights they have or may have as against many individuals and Entities. In addition, certain other Holders of Claims or Interests identified in the definition of "Releasing Parties" can grant a release of any claims or rights they have or may have as against many individuals and Entities in a variety of other ways, including by:

- voting to reject the Plan but checking the "opt in" box on the Ballot;
- sending an e-mail to the Debtors' Solicitation Agent, Omni Management Group at hollanderballots@omnimgt.com, with "Hollander Opt In" in the subject line, including such Holder's name and address, and affirming the amount of such Holder's Claim and the Debtor against which such Claim is held;
- sending a letter to the Solicitation Agent, by first-class mail, at Hollander Sleep Products, LLC, c/o Omni Management Group, 5955 DeSoto Avenue, Suite #100, Woodland Hills, CA 91367 with "Hollander Opt In" in the subject line, including such Holder's name and address, and affirming the amount of such Holders' Claim and the Debtor against which such Claim is held; or
- sending a letter to the Solicitation Agent, by overnight or hand delivery at Hollander Sleep Products, LLC, c/o Omni Management Group, 5955 DeSoto Avenue, Suite #100, Woodland Hills, CA 91367 with "Hollander Opt In" in the subject line, including such Holder's name and address, and affirming the amount of such Holders' Claim and the Debtor against which such Claim is held.

The Third-Party Release includes any and all claims that such Holders may have against the Released Parties, which in any way relate to the Debtors, their operations either before or after these chapter 11 cases began, any securities of the Debtors, whether purchased or sold, including sales or purchases which have been rescinded, and any transaction that these Released Parties had with the Debtors.

Debtors are authorized to settle or release their claims in a chapter 11 plan. *See In re Adelphia Commc'ns Corp.*, 368 B.R. 140, 263 n.289, 269 (Bankr. S.D.N.Y. 2007) (debtor may release its own claims); *In re Oneida*

effect on the date of this Disclosure Statement and all of which are subject to change or differing interpretations, possibly with retroactive effect. Due to the lack of definitive judicial and administrative authority in a number of areas, substantial uncertainty may exist with respect to some of the tax consequences described below. No opinion of counsel has been obtained, and the Debtors do not intend to seek a ruling from the IRS as to any of the tax consequences of the Plan discussed below. The discussion below is not binding upon the IRS or the courts. No assurance can be given that the IRS would not assert, or that a court would not sustain, a different position than any position discussed herein.

This discussion does not purport to address all aspects of U.S. federal income taxation that may be relevant to the Debtors or to Holders of Claims or Interests in light of their individual circumstances, nor does it address tax issues with respect to such Holders that are subject to special treatment under the U.S. federal income tax laws (including, for example, banks, governmental authorities or agencies, partnerships or other pass-through entities, subchapter S corporations, trusts, dealers and traders in securities, insurance companies, financial institutions, tax-exempt organizations, small business investment companies, Persons who are related to the Debtors within the meaning of the IRC, Persons using a mark-to-market method of accounting, Holders of Claims or Interests who are themselves in bankruptcy, real estate investment trusts, expatriates or former long-term residents of the United States, and regulated investment companies and those holding, or who will hold, Claims or the New Interests as part of a hedge, straddle, conversion, or other integrated transaction). This discussion does not address any U.S. federal non-income (including estate or gift), state, local, or non-U.S. tax considerations, the Medicare tax imposed on certain net investment income or considerations under any applicable tax treaty. Furthermore, this discussion assumes that a Holder of a Claim holds only Claims in a single Class and holds Claims as "capital assets" within the meaning of section 1221 of the IRC (generally, property held for investment). Moreover, this discussion does not address special considerations that may apply to persons who are both Holders of Claims and Holders of Interests. This summary also assumes that the various debt instruments and other arrangements to which the Debtors are a party will be respected for U.S. federal income tax purposes in accordance with their form. Moreover, except to the extent specifically addressed herein, this discussion assumes that the "installment sale method" of reporting any gain that may be recognized by Holders in respect of the transactions described herein does not apply and this discussion does not address the U.S. federal income tax consequences attributable to the installment sale method or open transaction reporting except to the extent specifically addressed herein.

For purposes of this discussion, a "U.S. Holder" is a Holder that is: (1) an individual citizen or resident of the United States for U.S. federal income tax purposes; (2) a corporation (or other entity validly treated as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States, any state thereof or the District of Columbia; (3) an estate the income of which is subject to U.S. federal income taxation regardless of the source of such income; or (4) a trust (A) if a court within the United States is able to exercise primary jurisdiction over the trust's administration and one or more United States persons (within the meaning of section 7701(a)(30) of the IRC) has authority to control all substantial decisions of the trust or (B) that has a valid election in effect under applicable Treasury Regulations to be treated as a United States person (within the meaning of section 7701(a)(30) of the IRC). For purposes of this discussion, a "Non-U.S. Holder" is any Holder that is not a U.S. Holder or a partnership (or other entity treated as a partnership or other pass-through entity for U.S. federal income tax purposes).

If a partnership (or other entity treated as a partnership or other pass-through entity for U.S. federal income tax purposes) is a Holder, the tax treatment of a partner (or other owner) generally will depend upon the status of the partner (or other owner) and the activities of the partner (or other owner) and the partnership (or other entity treated as a partnership or other pass-through entity for U.S. federal income tax purposes). Partners of any partnership (or other entity treated as a partnership or other pass-through entity for U.S. federal income tax purposes) that is a Holder should consult their respective tax advisors regarding the U.S. federal income tax consequences of the Plan.

The following discussion assumes that the Debtors will undertake the Restructuring Transactions currently contemplated by the Plan in accordance with the Plan and as further described herein and in the Plan. Holders of Claims are urged to consult their tax advisors regarding the tax consequences of the Restructuring Transactions.

THE FOLLOWING SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES PERTAINING TO A HOLDER OF A CLAIM OR INTEREST. ALL HOLDERS OF CLAIMS OR INTERESTS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS FOR THE U.S. FEDERAL, STATE, LOCAL, AND NON-U.S. TAX CONSEQUENCES OF THE PLAN.

B. *Certain U.S. Federal Income Tax Consequences of the Plan to the Debtors.*

1. Characterization of the Debtors.

Dream II Holdings, LLC ("Dream II") is treated as a partnership for U.S. federal income tax purposes. Dream II's wholly-owned subsidiary, Hollander Sleep Products, LLC and a number of the direct and indirect subsidiaries of Hollander Sleep Products, LLC are treated as entities disregarded as separate from Dream II for U.S. federal income tax purposes. Accordingly, the U.S. federal income tax consequences of the Restructuring Transactions will generally be borne by the equity holders of Dream II rather than Hollander Sleep Products, LLC, Dream II, or the other Debtors.[12] For purposes of the following disclosure, references to Dream II are deemed to include references to subsidiaries of Dream II that are disregarded as separate from it for U.S. federal income tax purposes where applicable.

As a partnership or disregarded entity (as applicable), Dream II and its subsidiaries generally are not subject to U.S. federal income taxation. Instead, each existing equity holder of Dream II is required to report on its U.S. federal income tax return, and is subject to tax in respect of, its distributive share of each item of income, gain, loss, deduction and credit of such Debtors. Accordingly, except to the extent noted below, the U.S. federal income tax consequences of the Restructuring Transactions under the Plan generally will not be borne by the Debtors, and instead will be borne by the existing ~~equity h~~Holders of Interests in Dream II.

2. Cancellation of Debt Income and Reduction of Certain Tax Attributes.

In general, absent an exception, a taxpayer will realize and recognize cancellation of indebtedness income ("COD Income") upon satisfaction of its outstanding indebtedness for total consideration less than the amount of such indebtedness. The amount of COD Income, in general, is the excess of (a) the adjusted issue price of the indebtedness satisfied, over (b) the sum of (i) the amount of cash paid, (ii) the issue price of any new indebtedness of the debtor issued, and (iii) the fair market value of any other consideration (including stock or warrants of the debtor or another entity) given in satisfaction of such indebtedness at the time of the exchange.

However, a taxpayer will not be required to include COD Income in gross income under certain statutory exceptions. In particular, COD Income is not includable in income (i) if the taxpayer is under the jurisdiction of a court in a case under chapter 11 of the Bankruptcy Code and the discharge of debt occurs pursuant to that proceeding (the "Bankruptcy Exception") or (ii) if the taxpayer is insolvent (but only to the extent of the taxpayer's insolvency) (the "Insolvency Exception"). As a consequence of such exclusion, ~~a taxpayer debtor~~such taxpayer must reduce its tax attributes by the amount of COD Income that it excluded from gross income pursuant to section 108 of the IRC. In general, tax attributes will be reduced in the following order: (a) net operating losses ("NOLs"); (b) general business credit carryovers; (c) minimum tax credit carryovers; (d) capital loss carryovers; (e) tax basis in assets (but not below the amount of liabilities to which the debtor remains subject); (f) passive activity loss and credit carryovers; and (g) foreign tax credits. Alternatively, a ~~debtor~~taxpayer with COD Income may elect first to reduce the basis of its depreciable assets pursuant to section 108(b)(5) of the IRC.

[12] Certain of Hollander Sleep Products, LLC's direct or indirect subsidiaries are entities taxable as corporations for U.S. federal income tax purposes (the "Sleep Products Corporate Subsidiaries"). The Claims discussed in this disclosure are not held with respect to the Sleep Products Corporate Subsidiaries and, as such, this discussion does not address the tax consequences of the Restructuring Transactions as they relate to the Sleep Products Corporate Subsidiaries.

In connection with the Restructuring Transactions, the Debtors expect to realize COD Income. The exact amount of any COD Income that will be realized by the Debtors will not be determinable until the consummation of the Plan. Because the Plan provides that the Holders of Allowed Class 4 Claims ~~will~~may receive 23% of the New Interests (subject to dilution by certain other issuances of New Interests) (if the Recapitalization Structure, as defined below, is implemented) the amount of COD Income will depend, among other things, on the fair market value of the New Interests (or the value of other consideration to Holders of Allowed Class 4 Claims receive pursuant to the Plan under a Sale Structure (as defined below)). This value cannot be known with certainty until after the Plan is consummated.

As described above, because Dream II is a partnership for U.S. federal income tax purposes, such COD Income is generally expected to be allocated to the existing equity holders of Dream II. Under section 108(d)(6) of the IRC, the Bankruptcy Exception and the Insolvency Exception (and, in each case, related attribute reduction) are applied at the partner level rather than at the entity level and, thus, depend on whether the partner, *i.e.*, each of the existing ~~equity h~~Holders of Interests in of Dream II to which the COD Income is allocated, is itself insolvent or in bankruptcy. The fact that the Debtors are insolvent and in bankruptcy is not relevant for that determination. For purposes of determining a Holder's insolvency (measured immediately prior to the Effective Date), the Holder would be treated as if it were individually liable for an amount of partnership debt equal to the amount of the COD Income allocated to the Holder. To the extent any amount of COD Income is excludable by a Holder by reason of the Insolvency Exception or the Bankruptcy Exception, the Holder generally would be required to reduce certain tax attributes (such as net operating losses, tax credits, possibly tax basis in assets and passive losses) after the determination of its tax liability for the taxable year. ***Each Holder of Interests in Dream II should consult its tax advisors regarding consequences of the consummation of the Plan to its own circumstances.***

3. Characterization of the Restructuring Transactions.

The Debtors have not yet determined how the Restructuring Transactions will be structured. There are currently two anticipated alternatives contemplated by the Plan—a Sale Structure or a Recapitalization Structure, each as defined and described below. Unless otherwise noted, the discussion below applies only to U.S. Holders.

(a) Sale Structure.

In the event that there is a Winning Bidder (other than the Term Loan Lenders), the Debtors expect to effect the Restructuring Transactions by causing Dream II to sell its assets (subject to any liabilities assumed by the Winning Bidder) to the Winning Bidder in a taxable exchange for the consideration paid by the applicable Winning Bidder (the "Bid Consideration," and such structure, the "Sale Structure"), which Bid Consideration, along with any additional Class 5 Sale Consideration (as defined below), the Debtors would subsequently distribute to Holders of Claims pursuant to the Plan. If a Sale Structure ~~was~~is utilized, Dream II's items of income, gain, loss, or deduction arising from such taxable exchange would be allocated to Holders of Interests in Dream II. For purposes of calculating the amount of income, gain, loss or deduction allocable to the Holders of Interests in Dream II arising from such a sale, Dream II would recognize gain or loss equal to the amount of the Bid Consideration, plus the amount of any liabilities assumed by the Winning Bidder in the sale, less Dream II's tax basis in the transferred assets. In addition, to the extent the Winning Bidder does not assume liabilities of the Debtors and the Bid Consideration distributed to a Holder of Claims is less than the amount of such Holder's Claim, the cancellation of any remaining Claims against the Debtors may give rise to COD Income, as described above in Article X.B.2, which COD Income would be allocated to Holders of Interests in Dream II, as described therein.

(b) Recapitalization Structure.

If the Term Loan Lenders are the Winning Bidder, the Debtors anticipate that the Restructuring Transactions will be structured as a transfer of all of Dream II's assets (subject to certain liabilities) to an entity treated as a corporation for U.S. federal income tax purposes that is newly formed by a nominee of the Exit Term Loan Lenders ("Dream Newco Parent"). Pursuant to the Plan and in accordance with the Restructuring Transactions, the following transactions would occur:

- On or prior to the Effective Date, the Exit Term Loan Lenders would fund their proportionate share of the Exit Term Loan Facility and receive 40% of the New Interests (subject to dilution by equity issuances in accordance with the Management Incentive Plan);

- On the Effective Date, Dream Newco Parent would contribute 60% of the New Interests (subject to dilution by equity issuances in accordance with the Management Incentive Plan) to a newly formed wholly-owned, subsidiary treated as a corporation for U.S. federal income tax purposes ("Dream Acquisition Subsidiary");

- On the Effective Date, immediately following the prior step, in accordance with the Plan, Dream Acquisition Subsidiary would acquire all of the assets of Dream II (subject to certain liabilities) in exchange for 60% of the New Interests (subject to dilution by equity issuances in accordance with the Management Incentive Plan), the portion of the Exit Term Loan Facility not previously funded by the Exit Term Loan Lenders, the Class 5 Recapitalization Consideration (as defined below in Article X.C.2) and the assumption of certain of the Debtors' liabilities;

- On the Effective Date, immediately following the prior step, in accordance with the Plan, Dream II would (a) distribute 23% of the New Interests (subject to dilution by equity issuances in accordance with the Management Incentive Plan) to the Holders of Allowed Class 4 Claims in exchange for the full and final satisfaction of the Term Loan Claims held by the Holders of Allowed Class 4 Claims (b) distribute 37% of the New Interests (subject to dilution by equity issuances in accordance with the Management Incentive Plan) and the portion of the Exit Term Loan Facility received from Dream Acquisition Subsidiary to the DIP Term Loan Lenders in exchange for the full and final satisfaction of the DIP Term Loan Claims held by the DIP Term Loan Lenders and (c) distribute the Class 5 Recapitalization Consideration to the Holders of Allowed Class 5 Claims; and

- After the Effective Date, Dream Newco Parent would grant equity-based awards based on the New Interests in accordance with the Management Incentive Plan (collectively, the "Recapitalization Structure").

The transfer of assets to Dream Acquisition Subsidiary described above, although not free from doubt, would generally be expected to be treated as a taxable sale or exchange of the assets of Dream II for U.S. federal income tax purposes. As described above, because Dream II is a partnership for U.S. federal income tax purposes, any income, gain, loss, or deduction incurred in connection with such transactions, including any COD Income, would be allocated to the Holders of Interests in Dream II. Dream Acquisition Subsidiary would generally not be expected to recognize any gain or loss in such taxable exchange. In general, Dream Acquisition Subsidiary would have an initial tax basis in the assets acquired from Dream II in the taxable exchange equal to their respective fair market values at the time of the transfer.

Notwithstanding the foregoing, it is possible that the IRS would seek to recharacterize the Recapitalization Transaction as though (i) the DIP Term Loan Lenders contributed a portion of their DIP Term Loan Claims, and/or the Holders of Allowed Class 4 Claims contributed their Allowed Class 4 Claims, to Dream Newco Parent, in each case, in exchange for New Interests in a tax-deferred transaction governed by section 351 of the IRC, (ii) Dream Newco Parent contributed such Claims to Dream Acquisition Subsidiary in a tax-deferred transaction governed by section 351 of the IRC, and (iii) Dream Acquisition Subsidiary acquired all of the assets of Dream II (subject to certain liabilities) in full and final satisfaction of such Claims (a "Deemed 351 Transaction"). If the IRS were to successfully recharacterize the Recapitalization Transactions as a Deemed 351 Transaction, Dream Newco Parent's tax basis in the DIP Term Loans and/or the Allowed Class 4 Claims deemed contributed to it by each applicable Holder would generally be equal to the lesser of (a) the applicable transferor's tax basis in the contributed DIP Term Loan and/or contributed Allowed Class 4 Claim, as applicable and (b) the fair market value of the contributed DIP Term Loan and/or contributed Allowed Class 4 Claim, as applicable, in each case, at the time of such contribution. Moreover, Dream Acquisition Subsidiary's tax basis in the Allowed Class 4 Claims and/or DIP Term Loan Claims contributed to it would generally be equal to Dream Newco Parent's tax basis in such Claims. Accordingly, it is possible that Dream Acquisition Subsidiary would recognize gain, but not loss, on the subsequent deemed transfer of Allowed Class 4 Claims and/or DIP Term Loans to Dream II in exchange for the assets of Dream II (subject to certain liabilities) in an amount equal to the excess, if any, of (i) the fair market value of the assets received from Dream II and (ii) Dream Acquisition Subsidiary's tax basis in the Allowed Class 4 Claims and/or DIP Term Loan

Claims transferred to Dream II pursuant to the Deemed 351 Transaction. Holders of Claims are urged to consult their tax advisors regarding the tax consequences of a potential recharacterization of the Restructuring Transactions as a Deemed 351 Transaction.

(c) Transfer of the Commercial Tort Claims to Settlement Trust.

If the Restructuring Transactions are effected pursuant to the Sale Structure, it is expected, and the remainder of this discussion assumes, that the Debtors would transfer the Commercial Tort Claims to a settlement trust (a "Settlement Trust"). Subject to definitive guidance from the IRS or a court of competent jurisdiction to the contrary and other than with respect to amounts, if any, in a reserve for disputed claims (a "Disputed Claims Reserve"), the Debtors would structure the Settlement Trust in a manner intended to be treated as a "liquidation trust" for U.S. federal income tax purposes pursuant to Treasury Regulations section 301-7701-4(d), and the trustee of the Settlement Trust would be expected to the take positions on the Settlement Trust's tax return in a manner consistent with that intention. For U.S. federal income tax purposes, the transfer of assets to a Settlement Trust would be deemed to occur (a) first, as a transfer of the Commercial Tort Claims and, potentially cash, (the "Settlement Trust Assets") to the Holders of Class 5 Claims and (b) second, as a transfer by such Holders of the Settlement Trust Assets to the Settlement Trust.

As a result, the transfer of the Settlement Trust Assets to the Settlement Trust would be a taxable transaction, and the Debtors would recognize gain or loss equal to the difference between the tax basis and fair market value of such assets. As soon as possible after the transfer of the Settlement Trust Assets to the Settlement Trust, the trustee(s) of the Settlement Trust would make a good faith valuation of the fair market value of the Settlement Trust Assets. This valuation would be made available from time to time, as relevant for tax reporting purposes. Each of the Debtors, the trustee of the Settlement Trust, and the Holders of Claims receiving interests in the Settlement Trust would take consistent positions with respect to the valuation of the Settlement Trust Assets, and such valuations would be utilized for all U.S. federal income tax purposes.

Allocations of any taxable income of the Settlement Trust among the Settlement Trust beneficiaries would be determined by reference to the manner in which an amount of Settlement Trust Assets equal to such taxable income would be distributed (were such Settlement Trust Assets permitted to be distributed at such time) if, immediately prior to such deemed distribution, the Settlement Trust had distributed all its assets (valued at their tax book value) to the Settlement Trust beneficiaries, adjusted for prior taxable income and loss and taking into account all prior and concurrent distributions from the Settlement Trust. Similarly, taxable loss of the Settlement Trust would be allocated by reference to the manner in which an economic loss would be borne immediately after a liquidating distribution of the remaining Settlement Trust Assets. The tax book value of the Settlement Trust Assets would be equal ~~(subject to dilution by equity issuances in accordance with the Management Incentive Plan)~~ to their fair market value on the date of the transfer of the Settlement Trust Assets to the Settlement Trust, adjusted in accordance with tax accounting principles prescribed by the IRC, applicable Treasury Regulations, and other applicable administrative and judicial authorities and pronouncements.

The Settlement Trust would in no event be expected to be dissolved later than three (3) years from the creation of such Settlement Trust, unless the Bankruptcy Court, upon motion within the six (6) month period prior to the third (3rd) anniversary (or within the six (6) month period prior to the end of an extension period), determines that a fixed period extension (not to exceed three (3) years, together with any prior extensions, without a favorable private letter ruling from the IRS or an opinion of counsel satisfactory to the trustee(s) of the Settlement Trust that any further extension would not adversely affect the status of the trust as a liquidating trust for U.S. federal income tax purposes) is necessary to facilitate or complete the recovery and liquidation of the Settlement Trust Assets.

With respect to amounts, if any, in a Disputed Claims Reserve, the Debtors expect that such account would be treated as a "disputed ownership fund" governed by Treasury Regulations section 1.468B-9, that any appropriate elections with respect thereto would be made, and that such treatment would also be applied to the extent possible for state and local tax purposes. Under such treatment, a separate U.S. federal income tax return would be filed with the IRS for the Disputed Claims Reserve and would be subject to tax annually on a separate entity basis. Any taxes (including with respect to interest, if any, earned in the account, or any recovery on the portion of assets allocable to such account in excess of the Disputed Claims Reserve's basis in such assets) imposed on such account

summary is not applicable to Non-Resident Holders that are insurers carrying on an insurance business in Canada and elsewhere or an authorized foreign bank that carries on a Canadian banking business. This portion of the summary assumes that no amount paid to a Non-Resident Holder by a Debtor that is not resident in Canada for purposes of the Tax Act is deductible in computing such Debtor's income earned in Canada for purposes of the Tax Act.

A Non-Resident Holder of Canadian Class 5 Claims will be considered to have disposed of its Canadian Class 5 Claims on the Effective Date in exchange for proceeds of disposition equal to the aggregate fair market value of (i) any cash to be paid to such Non-Resident Holder under the Plan on the Effective Date and (ii) any Future Payment Rights of such Non-Resident Holder, in each case as allocated to the principal amount of its Canadian Class 5 Claims. A Non-Resident Holder will be considered to dispose of a Future Payment Right when, among other things, the rights therein are settled pursuant to the terms of the Plan. A Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized on the disposition of its Canadian Class 5 Claims or Future Payment Right, and will not be able to deduct the allowable portion of any capital loss realized on the disposition of its Canadian Class 5 Claims or Future Payment Right, unless the Canadian Class 5 Claims or Future Payment Rights constitute "taxable Canadian property" of the Non-Resident Holder at the time of disposition, as defined in the Tax Act. Canadian Class 5 Claims and Future Payment Rights generally should not constitute taxable Canadian property of a Non-Resident Holder.

A Non-Resident Holder should not be subject to non-resident withholding tax in respect of any accrued and unpaid interest that is paid in respect of the Canadian Class 5 Claims. In general, the application of non-resident withholding tax to amounts paid by a Canadian-resident Debtor to a Non-Resident Holder in satisfaction of the principal amount of Canadian Class 5 Claims or the Future Payment Rights will depend on the nature and character of the Holder's Canadian Class 5 Claims or Future Payment Rights. In particular, any amount received by a Non-Resident Holder from a Canadian-resident Debtor in satisfaction of the principal amount of Canadian Class 5 Claims will be subject to non-resident withholding tax to the same extent as if such Canadian Class 5 Claims were satisfied in exchange for cash outside the context of the Plan. No non-resident withholding tax will apply in respect of any amount paid to a Non-Resident Holder by a Debtor that is not resident in Canada for purposes of the Tax Act pursuant to the Future Payment Rights.

ARTICLE XII.
RECOMMENDATION OF THE DEBTORS

In the opinion of the Debtors, the Plan is preferable to the alternatives described in this Disclosure Statement because it provides for a larger distribution to the Holders of Allowed Claims and Allowed Interests than would otherwise result in a liquidation under chapter 7 of the Bankruptcy Code. In addition, any alternative other than Confirmation of the Plan could result in extensive delays and increased administrative expenses resulting in smaller distributions to Holders of Allowed Claims and Allowed Interests than proposed under the Plan. Accordingly, the Debtors recommend that Holders of Claims entitled to vote on the Plan support Confirmation of the Plan and vote to accept the Plan.

Dated: July 2~~1~~5, 2019

HOLLANDER SLEEP PRODUCTS, LLC
on behalf of itself and its debtor affiliates

/s/ Marc Pfefferle

Marc Pfefferle
Chief Executive Officer
Hollander Sleep Products, LLC

Exhibit A

Plan
~~**Filed at Docket No. 233**~~

THIS IS EXHIBIT "I" REFERRED TO IN THE AFFIDAVIT OF MARC PFEFFERLE SWORN ON AUGUST 2, 2019.

RE 2

ROBERT E COLAPIETRO
Notary Public
Connecticut
My Commission Expires Feb 28, 2022

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
HOLLANDER SLEEP PRODUCTS, LLC, *et al.*,[1]	)	Case No. 19-11608 (MEW)
Debtors.	)	(Jointly Administered)

DEBTORS' FIRST AMENDED JOINT PLAN OF REORGANIZATION PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE

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Counsel to the Debtors and Debtors in Possession

Dated: July 25, 2019

Nothing contained herein shall constitute an offer, acceptance, or a legally binding obligation of the Debtors or any other party in interest and this Plan is subject to approval by the Bankruptcy Court and other customary conditions. This Plan is not an offer with respect to any securities. YOU SHOULD NOT RELY ON THE INFORMATION CONTAINED IN, OR THE TERMS OF, THIS PLAN FOR ANY PURPOSE PRIOR TO THE CONFIRMATION OF THIS PLAN BY THE BANKRUPTCY COURT.

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors' service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

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INTRODUCTION

Hollander Sleep Products, LLC and its Debtor affiliates in the above-captioned Chapter 11 Cases propose this joint chapter 11 plan pursuant to chapter 11 of the Bankruptcy Code. Capitalized terms used and not otherwise defined shall have the meanings ascribed to such terms in Article I.A. This Plan constitutes a separate chapter 11 plan for each Debtor and, unless otherwise set forth herein, the classifications and treatment of Claims and Interests apply to each individual Debtor.

Holders of Claims and Interests should refer to the Disclosure Statement for a discussion of the Debtors' history, businesses, assets, results of operations, and historical financial information, projections, and future operations, as well as a summary and description of this Plan and certain related matters. Each Debtor is a proponent of the Plan contained herein within the meaning of section 1129 of the Bankruptcy Code.

ARTICLE I.
DEFINED TERMS, RULES OF INTERPRETATION, COMPUTATION OF TIME AND GOVERNING LAW

A. Defined Terms

As used in this Plan, capitalized terms have the meanings ascribed to them below.

1. "***ABL Agent***" means Wells Fargo Bank, National Association, in its capacity as agent under the ABL Credit Agreement, solely in its capacity as such.

2. "***ABL Claims***" means any and all Claims relating to, arising out of, arising under, or arising in connection with the ABL Credit Facility.

3. "***ABL Credit Agreement***" means that certain Third Amended and Restated Credit Agreement, dated as of June 9, 2017, by and among Hollander Home Fashions, LLC, Hollander Sleep Products, LLC, Hollander Sleep Products Kentucky, LLC, Hollander Sleep Products Canada Limited, Pacific Coast Feather Company, and Pacific Coast Feather Cushion Co., as borrowers, Dream II, as parent, the lenders party thereto, and the ABL Agent, as modified and amended on August 31, 2017, October 19, 2018, and November 27, 2018, and as may be further amended, modified, restated, or supplemented from time to time.

4. "***ABL Credit Facility***" means, collectively, the senior secured revolving credit facility, swing loans, and letters of credit provided for by the ABL Credit Agreement.

5. "***ABL Lenders***" means the banks, financial institutions, and other lenders party to the ABL Credit Agreement from time to time, each letter of credit issuer thereunder, and each bank product provider thereunder, each solely in their capacity as such.

6. "***ABL Priority Collateral***" has the meaning set forth in the DIP Intercreditor Agreement.

7. "***Administration Charge***" means the charge granted by the Canadian Court in the Recognition Proceedings on the Canadian Assets to secure the professional fees and disbursements of the Information Officer and its counsel, in each case incurred in respect of the Recognition Proceedings.

8. "***Administrative Claim***" means a Claim for the costs and expenses of administration of the Estates under sections 503(b), 507(a)(2), 507(b), or 1114(e)(2) of the Bankruptcy Code, including: (a) the actual and necessary costs and expenses incurred on or after the Petition Date of preserving the Estates and operating the businesses of the Debtors; (b) Allowed Professional Fee Claims in the Chapter 11 Cases; and (c) amounts owing pursuant to the DIP Orders.

9. "***Administrative Claim Bar Date***" means the deadline for filing requests for payment of Administrative Claims (other than (x) Professional Fee Claims, (y) Administrative Claims arising in the ordinary

course of business, or (z) Claims arising pursuant to section 503(b)(9) of the Bankruptcy Code, which are required to be filed in accordance with the Bar Date Order), which shall be 30 days after the Effective Date.

10. "***Administrative Claim Objection Bar Date***" means the deadline for filing objections to requests for payment of Administrative Claims (other than requests for payment of Professional Fee Claims), which shall be the later of (a) 60 days after the Effective Date and (b) 60 days after the Filing of the applicable request for payment of the Administrative Claims; *provided* that the Administrative Claim Objection Bar Date may be extended by the Bankruptcy Court after notice and a hearing.

11. "***Affiliate***" has the meaning set forth in section 101(2) of the Bankruptcy Code.

12. "***Allowed***" means with respect to any Claim, except as otherwise provided in the Plan: (a) a Claim that is evidenced by a Proof of Claim Filed by the Bar Date (or for which Claim under the Plan, the Bankruptcy Code, or pursuant to a Final Order a Proof of Claim is not or shall not be required to be Filed); (b) a Claim that is listed in the Schedules as not contingent, not unliquidated, and not disputed, and for which no Proof of Claim, as applicable, has been timely Filed; or (c) a Claim Allowed pursuant to the Plan or a Final Order of the Bankruptcy Court; *provided* that with respect to a Claim described in clauses (a) and (b) above, such Claim shall be considered Allowed only if and to the extent that, with respect to such Claim, no objection to the allowance thereof has been interposed within the applicable period of time fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, or such an objection is so interposed and the Claim, as applicable, shall have been Allowed by a Final Order. Except as otherwise specified in the Plan or any Final Order, and except for any Claim that is Secured by property of a value in excess of the principal amount of such Claims, the amount of an Allowed Claim shall not include interest on such Claim from and after the Petition Date. For purposes of determining the amount of an Allowed Claim, there shall be deducted therefrom an amount equal to the amount of any Claim that the Debtors may hold against the Holder thereof, to the extent such Claim may be offset, recouped, or otherwise reduced under applicable law. Any Claim that has been or is hereafter listed in the Schedules as contingent, unliquidated, or disputed, and for which no Proof of Claim is or has been timely Filed, is not considered Allowed and shall be expunged without further action by the Debtors and without further notice to any party or action, approval, or order of the Bankruptcy Court. Notwithstanding anything to the contrary herein, no Claim of any Entity subject to section 502(d) of the Bankruptcy Code shall be deemed Allowed unless and until such Entity pays in full the amount that it owes such Debtor or Reorganized Debtor, as applicable. For the avoidance of doubt: (x) a Proof of Claim Filed after the Bar Date shall not be Allowed for any purposes whatsoever absent entry of a Final Order allowing such late-filed Claim; and (y) the Debtors may affirmatively determine to deem Unimpaired Claims Allowed to the same extent such Claims would be allowed under applicable non-bankruptcy law. "Allow" and "Allowing" shall have correlative meanings.

13. "***Auction***" means the auction, if any, for some or all of the Debtors' assets, conducted in accordance with the Bidding Procedures.

14. "***Avoidance Actions***" mean any and all avoidance, recovery, or subordination actions or remedies that may be brought by or on behalf of the Debtors or their Estates under the Bankruptcy Code, CCAA, BIA, or applicable non-bankruptcy law, including actions or remedies under sections 544, 547, 548, 549, 550, 551, 552, or 553 of the Bankruptcy Code.

15. "***Bankruptcy Code***" means title 11 of the United States Code, 11 U.S.C. §§ 100–1532, as now in effect or hereafter amended, and the rules and regulations promulgated thereunder.

16. "***Bankruptcy Court***" means the United States Bankruptcy Court for the Southern District of New York, having jurisdiction over the Chapter 11 Cases and, to the extent of the withdrawal of reference under section 157 of the Judicial Code and/or the General Order of the District Court pursuant to section 151 of the Judicial Code, the United States District Court for the Southern District of New York.

17. "***Bankruptcy Rules***" means the Federal Rules of Bankruptcy Procedure, as applicable to the Chapter 11 Cases, promulgated under section 2075 of the Judicial Code and the general, local, and chambers rules of the Bankruptcy Court.

18. "***Bar Date Order***" means the *Order (A) Setting Bar Dates for Filing Proofs of Claim, (B) Approving Procedures for Submitting Proofs of Claim, (C) Approving Notice Thereof, and (D) Granting Related Relief* [Docket No. 120], entered by the Bankruptcy Court on June 21, 2019.

19. "***BIA***" means the Bankruptcy and Insolvency Act, R.S.C., 1985, c. B-3, as amended.

20. "***Bidding Procedures***" means the procedures governing the Auction and sale of all or substantially all of the Debtors' assets, as approved by the Bankruptcy Court and as may be amended from time to time in accordance with their terms.

21. "***Business Day***" means any day, other than a Saturday, Sunday, or "legal holiday" (as defined in Bankruptcy Rule 9006(a)(6)).

22. "***Canadian Assets***" means the assets, undertakings, and properties of Hollander Canada at the applicable time.

23. "***Canadian Court***" means the Ontario Superior Court of Justice (Commercial List).

24. "***Canadian Intercompany Claim***" means (i) the Claim of Hollander Canada in respect of the aggregate amount loaned by Hollander Canada to the Debtors other than Hollander Canada during the Chapter 11 Cases pursuant to and in accordance with the DIP Orders, *less* (ii) the aggregate amount reasonably incurred by the Debtors other than Hollander Canada during the Chapter 11 Cases in providing selling, general, and administrative services to Hollander Canada.

25. "***Cash***" or "***$***" means cash and cash equivalents, including bank deposits, checks, and other similar items in legal tender of the United States of America.

26. "***Causes of Action***" means any actions, claims, cross claims, third-party claims, interests, damages, controversies, remedies, causes of action, debts, judgments, demands, rights, actions, suits, obligations, liabilities, accounts, defenses, offsets, powers, privileges, licenses, liens, indemnities, guaranties, and franchises of any kind or character whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, contingent or non-contingent, liquidated or unliquidated, secured or unsecured, assertable directly or derivatively, matured or unmatured, suspected or unsuspected, disputed or undisputed, whether arising before, on, or after the Petition Date, in contract or in tort, in law or in equity, or pursuant to any other theory of law or otherwise. For the avoidance of doubt, "Causes of Action" include: (a) any rights of setoff, counterclaim, or recoupment and any claims under contracts or for breaches of duties imposed by law or in equity; (b) the right to object to or otherwise contest Claims or Interests; (c) claims pursuant to section 362 or chapter 5 of the Bankruptcy Code; (d) any claims or defenses, including fraud, mistake, duress, and usury, and any other defenses set forth in section 558 of the Bankruptcy Code; and (e) any state law fraudulent transfer claim.

27. "***CCAA***" means Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended.

28. "***Chapter 11 Cases***" means (a) when used with reference to a particular Debtor, the case pending for that Debtor under chapter 11 of the Bankruptcy Code and (b) when used with reference to all Debtors, the procedurally consolidated chapter 11 cases pending for the Debtors in the Bankruptcy Court.

29. "***Claim***" means any claim, as such term is defined in section 101(5) of the Bankruptcy Code, or as defined in the CCAA, as applicable, against a Debtor or an Estate.

30. "***Claims Bar Date***" means the dates established by the Bankruptcy Court by which Proofs of Claim must have been Filed with respect to such Claims (other than Claims required to be Filed by the Administrative Claims Bar Date), pursuant to (a) the Bar Date Order, (b) a Final Order of the Bankruptcy Court, or (c) the Plan.

31. "***Claims Register***" means the official register of Claims maintained by the Notice and Claims Agent.

32. "***Class***" means a class of Claims or Interests as set forth in Article III of the Plan in accordance with section 1122(a) of the Bankruptcy Code.

33. "***Collective Bargaining Agreement***" means those certain Collective Bargaining Agreements by and between Debtor Hollander Sleep Products, LLC, on the one hand, and, as applicable, the Southwest Regional Joint Board Workers United, the Southern Regional Joint Board of Workers United, SEIU on Behalf of Local 2420, the Mid-Atlantic Joint Board of Workers United, or the Workers United, Western States Regional Joint Board, on the other hand, as the same may have been amended from time to time.

34. "***Commercial Tort Claims***" means any commercial tort claims or Causes of Action owned by the Debtors arising on or before the Petition Date that remained outstanding as of the Petition Date.

35. "***Commercial Tort Proceeds***" means the Cash proceeds, if any, of any Commercial Tort Claims, *less* any fees, expenses, and disbursements of the Plan Administrator in excess of the Plan Administrator Budget, including any fees, expenses, and disbursements associated with the prosecution of Commercial Tort Claims, if any.

36. "***Committee***" means the statutory committee of unsecured creditors of the Debtors, appointed in the Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code by the U.S. Trustee on May 30, 2019, pursuant to the *Notice of Appointment of Committee of Unsecured Creditors* [Docket No. 61].

37. "***Committee Advisors***" means, collectively, Pachulski Stang Ziehl & Jones LLP, Alvarez & Marsal North America, LLC, and Gowling WLG.

38. "***Committee Monthly Fee Cap***" means, the sum of $300,000 per month for the period commencing on August 1, 2019, through the Effective Date which amount represents the maximum aggregate amount of (a) professional fees and expenses that may be incurred by professionals retained by the Committee in the Chapter 11 Cases (including the Committee Advisors) for which reimbursement is sought and (b) expenses incurred by the members of the Committee for which reimbursement is sought, each pursuant to and in accordance with section 1103 of the Bankruptcy Code, *provided* that any unused amount from a prior month may be used for fees and expenses incurred in a subsequent month on a rolling basis.

39. "***Confirmation***" means the Bankruptcy Court's entry of the Confirmation Order on the docket of the Chapter 11 Cases within the meaning of Bankruptcy Rules 5003 and 9021.

40. "***Confirmation Date***" means the date upon which the Bankruptcy Court enters the Confirmation Order on the docket of the Chapter 11 Cases, within the meaning of Bankruptcy Rules 5003 and 9021.

41. "***Confirmation Hearing***" means the hearing held by the Bankruptcy Court to consider Confirmation of the Plan pursuant to sections 1128 and 1129 of the Bankruptcy Code, including any adjournments thereof.

42. "***Confirmation Order***" means the order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code, which order must be reasonably acceptable to the Debtors, the Committee, the Required Term Lenders, the Term Loan Agent, the DIP ABL Agent (solely with respect to the economic and non-economic treatment of the DIP ABL Agent and DIP ABL Lenders pursuant to such order), the ABL Agent (solely with respect to the economic and non-economic treatment of the ABL Agent and ABL Lenders pursuant to such order), and the Sponsor.

43. "***Consenting Term Loan Lenders***" means the Term Loan Lenders that are party to the RSA, together with their respective successors and permitted assigns and any subsequent Term Loan Lenders that become party to the RSA in accordance with the terms of the RSA.

44. "***Consummation***" means the occurrence of the Effective Date.

45. "***D&O Liability Insurance Policies***" means, collectively, (a) all insurance policies (including any "tail policy") of any of the Debtors for current or former directors', members', trustees', managers', and officers'

liability as of the Petition Date, and (b) all insurance policies (including any "tail policy") for directors', members', trustees', managers', and officers' liability maintained by the Debtors, the Estates, or the Reorganized Debtors as of the Effective Date.

46. "***Debtor***" means one or more of the Debtors, as debtors and debtors in possession, each in its respective individual capacity as a debtor and debtor in possession in the Chapter 11 Cases.

47. "***Debtor Release***" means the release given on behalf of the Debtors and their Estates to the Released Parties as set forth in Article VIII.C of the Plan

48. "***Debtors***" means, collectively: (a) Dream II, (b) Hollander Home Fashions Holdings, LLC, (c) Hollander Sleep Products, LLC, (d) Hollander Sleep Products Kentucky, LLC, (e) Pacific Coast Feather, LLC, (f) Pacific Coast Feather Cushion, LLC, and (g) Hollander Sleep Products Canada Limited.

49. "***DIP ABL Agent***" means the administrative agent under the DIP ABL Credit Agreement, solely in its capacity as such.

50. "***DIP ABL Claims***" means any and all Claims derived from or based upon the DIP ABL Credit Facility, including all Claims for any fees and expenses of the DIP ABL Agent.

51. "***DIP ABL Credit Agreement***" means that certain debtor-in-possession credit agreement by and among the Debtors, the DIP ABL Agent, and the DIP ABL Lenders, as may be amended, modified, restated, or supplemented from time to time.

52. "***DIP ABL Credit Facility***" means the senior secured revolving credit facility provided for under the DIP ABL Credit Agreement.

53. "***DIP ABL Lenders***" means the banks, financial institutions, and other lenders party to the DIP ABL Credit Agreement from time to time, each letter of credit issuer thereunder, and each bank product provider thereunder, each solely in their capacity as such.

54. "***DIP ABL Order***" means collectively, the interim and final orders entered by the Bankruptcy Court authorizing the Debtors to enter into the DIP ABL Credit Agreement and incur postpetition obligations thereunder.

55. "***DIP Agents***" means collectively, the DIP ABL Agent and the DIP Term Loan Agent.

56. "***DIP Claims***" means any and all Claims arising under or related to the DIP Facilities, including the Last Out DIP Loan Claims.

57. "***DIP Credit Agreements***" means collectively, the DIP ABL Credit Agreement and the DIP Term Loan Credit Agreement.

58. "***DIP Facilities***" means the DIP ABL Credit Facility and the DIP Term Loan Facility.

59. "***DIP Intercreditor Agreement***" means the amended and restated intercreditor agreement, by and among the ABL Agent and the Term Loan Agent, which amended and restated the prepetition intercreditor agreement in its entirety, and is binding and enforceable against the Borrowers (as such term is defined in the DIP Orders), the other "Grantors" thereunder, the Prepetition Secured Parties, and the DIP Lenders in accordance with its terms.

60. "***DIP Lenders***" means the banks, financial institutions, and other lenders party to the DIP Credit Agreements from time to time and the bank product providers thereunder.

61. "***DIP Orders***" means collectively, the DIP ABL Order and the DIP Term Loan Order.

62. "***DIP Term Loan Agent***" means the administrative agent under the DIP Term Loan Credit Agreement, solely in its capacity as such.

63. "***DIP Term Loan Claims***" means any and all Claims derived from or based upon the DIP Term Loan Credit Facility, including all Claims for any fees and expenses of the DIP Term Loan Agent.

64. "***DIP Term Loan Credit Agreement***" means that certain debtor-in-possession credit agreement by and among the Debtors, the DIP Term Loan Agent, and the DIP Term Loan Lenders, as may be amended, modified, restated, or supplemented from time to time.

65. "***DIP Term Loan Credit Facility***" means the credit facility provided for under the DIP Term Loan Credit Agreement.

66. "***DIP Term Loan Debt Consideration***" means $28 million of the Exit Term Loan Facility provided to the DIP Term Loan Lenders in consideration of the DIP Term Loan Claims (in addition to any other consideration provided herein).

67. "***DIP Term Loan Documents***" means the DIP Term Loan Credit Agreement and all other agreements, documents, and instruments related thereto, including any guaranty agreements, pledge and collateral agreements, intercreditor agreements, and other security agreements, as may be amended, modified, restated, or supplemented from time to time.

68. "***DIP Term Loan Lenders***" means the banks, financial institutions, and other lenders party to the DIP Term Loan Credit Agreement from time to time, each solely in their capacity as such.

69. "***DIP Term Loan Order***" means collectively, the interim and final orders entered by the Bankruptcy Court authorizing the Debtors to enter into the DIP Term Loan Credit Agreement and incur postpetition obligations thereunder.

70. "***Disbursing Agent***" means, as applicable, the Reorganized Debtors or the Plan Administrator (as applicable) or any Entity or Entities selected by the Debtors, the Reorganized Debtors, or the Plan Administrator to make or facilitate distributions contemplated under the Plan (in consultation with the Term Loan Agent with respect to distributions made to the Holders of Term Loan Claims).

71. "***Disclosure Statement***" means the *Disclosure Statement for the Debtors' First Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code*, dated as of July 21, 2019, as may be amended, supplemented, or modified from time to time, including all exhibits and schedules thereto and references therein that relate to the Plan, that is prepared and distributed in accordance with the Bankruptcy Code, the Bankruptcy Rules, and any other applicable law and approved by the Bankruptcy Court pursuant to section 1125 of the Bankruptcy Code, which must be reasonably acceptable to the Debtors, the Committee, the Required Term Lenders, the Term Loan Agent, the ABL Agent, and the Sponsor.

72. "***Disputed***" means, with respect to any Claim or Interest, any Claim or Interest that is not yet Allowed.

73. "***Distribution Record Date***" means the date for determining which Holders of Allowed Claims or Allowed Interests are eligible to receive distributions under the Plan, which date shall be the Effective Date or such other date as is designated in a Final Order of the Bankruptcy Court.

74. "***Dream II***" means Dream II Holdings, LLC.

75. "***Effective Date***" means the date that is the first Business Day after the Confirmation Date on which (a) the conditions to the occurrence of the Effective Date have been satisfied or waived pursuant to Article IX.A and Article IX.B of the Plan and (b) no stay of the Confirmation Order is in effect, which shall be the day Consummation occurs.

76. "***Entity***" means an entity as such term is defined in section 101(15) of the Bankruptcy Code.

77. "***Estate***" means, as to each Debtor, the estate created on the Petition Date for the Debtor in its Chapter 11 Case pursuant to section 541 of the Bankruptcy Code and all property (as defined in section 541 of the Bankruptcy Code) acquired by the Debtors after the Petition Date through the Effective Date.

78. "***Excess Distributable Cash***" means, only in the event that the Winning Bidder is an Entity other than the Term Loan Lenders, any Cash proceeds of a Sale Transaction in excess of amounts necessary to satisfy the Plan Administrator Budget and all Claims senior in priority to General Unsecured Claims, including the DIP Claims, the ABL Claims, and the Term Loan Claims, in full, in Cash, as provided herein.

79. "***Exculpated Party***" means collectively, and in each case solely in its capacity as such: (a) the Debtors; (b) the Reorganized Debtors; (c) the Committee and each of its respective members; (d) the DIP Agents; (e) the DIP Lenders; (f) the Put Purchasers; (g) the ABL Agent; (h) the ABL Lenders; (i) the Term Loan Agent; (j) the Term Loan Lenders; (k) the Exit Facility Agents; (l) the Exit Facility Lenders; (m) the Sponsor; (n) the parties to the RSA; and (o) with respect to each of the foregoing entities, such Entity and its current and former Affiliates, and such Entities' and their current Affiliates' directors, managers, officers, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, participants, successors, and assigns, subsidiaries, and each of their respective current and former equity holders, officers, directors, managers, principals, members, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, each in their capacity as such.

80. "***Executory Contract***" means a contract to which one or more of the Debtors is a party and that is subject to assumption or rejection under section 365 or 1123 of the Bankruptcy Code.

81. "***Exit ABL Agent***" means the administrative agent under the Exit ABL Credit Agreement, solely in its capacity as such.

82. "***Exit ABL Credit Agreement***" means that certain credit agreement by and among the Reorganized Debtors, the Exit ABL Agent, and the Exit ABL Lenders, which shall be reasonably acceptable to the Debtors, the Sponsor, the Term Loan Agent, the Required Term Lenders, the DIP ABL Agent (solely with respect to the economic and non-economic treatment of the DIP ABL Agent and DIP ABL Lenders pursuant to such agreement, if applicable), and the Committee (solely with respect to any provisions implementing the Last Out Loans Turnover) and which shall be included in the Plan Supplement.

83. "***Exit ABL Documents***" means the Exit ABL Credit Agreement and all other agreements, documents, and instruments related thereto, including any guaranty agreements, pledge and collateral agreements, intercreditor agreements, and other security agreements, which shall be reasonably acceptable to the Debtors, the Sponsor, the Term Loan Agent, the Required Term Lenders, the DIP ABL Agent (solely with respect to the economic and non-economic treatment of the DIP ABL Agent and DIP ABL Lenders pursuant to such documents, if applicable), and the Committee (solely with respect to any provisions implementing the Last Out Loans Turnover).

84. "***Exit ABL Facility***" means the asset-based revolving credit facility provided for under the Exit ABL Credit Agreement.

85. "***Exit ABL Lenders***" means the banks, financial institutions, and other lenders party to the Exit ABL Credit Agreement from time to time, each solely in their capacity as such.

86. "***Exit Facilities***" means, collectively, the Exit ABL Facility and the Exit Term Loan Facility.

87. "***Exit Facility Agents***" means, collectively, the Exit ABL Agent and the Exit Term Loan Agent.

88. "***Exit Facility Documents***" means, collectively, the Exit ABL Documents and the Exit Term Loan Documents.

89. "***Exit Facility Lenders***" means, collectively, the Exit ABL Lenders and the Exit Term Loan Lenders.

90. "***Exit Term Loan Agent***" means the administrative agent under the Exit Term Loan Credit Agreement, solely in its capacity as such.

91. "***Exit Term Loan Commitment Letter***" means that certain exit commitment letter, dated May 19, 2019, by and among the Debtors and certain Term Loan Lenders party thereto, which is attached to the RSA as Exhibit C.

92. "***Exit Term Loan Credit Agreement***" means that certain credit agreement by and among the Reorganized Debtors, the Exit Term Loan Agent, and the Exit Term Loan Lenders, which shall include terms and conditions consistent with the Exit Term Loan Commitment Letter, shall be reasonably acceptable to the parties thereto and the DIP ABL Agent (solely with respect to the economic and non-economic treatment of the DIP ABL Agent and DIP ABL Lenders pursuant to such agreement, if applicable), and shall be included in the Plan Supplement.

93. "***Exit Term Loan Documents***" means the Exit Term Loan Credit Agreement and all other agreements, documents, and instruments related thereto, including any guaranty agreements, pledge and collateral agreements, intercreditor agreements, and other security agreements, which shall be reasonably acceptable to the parties to the Exit Term Loan Credit Agreement and the DIP ABL Agent (solely with respect to the economic and non-economic treatment of the DIP ABL Agent and DIP ABL Lenders pursuant to such documents, if applicable).

94. "***Exit Term Loan Facility***" means the term loan credit facility in the aggregate principal amount of $58,000,000 (comprised of the New Money Exit Term Loan Facility and the DIP Term Loan Debt Consideration) provided for under the Exit Term Loan Credit Agreement.

95. "***Exit Term Loan Lenders***" means the banks, financial institutions, and other lenders party to the Exit Term Loan Credit Agreement from time to time, each solely in their capacity as such.

96. "***Federal Judgment Rate***" means the federal judgment interest rate in effect as of the Petition Date calculated as set forth in section 1961 of the Judicial Code.

97. "***File***," "***Filed***," or "***Filing***" means file, filed, or filing with the Bankruptcy Court or its authorized designee in the Chapter 11 Cases, or, with respect to the filing of a Proof of Claim or Proof of Interest, the Notice and Claims Agent.

98. "***Final Order***" means, as applicable, an order or judgment of the Bankruptcy Court or other court of competent jurisdiction with respect to the relevant subject matter, which has not been reversed, stayed, modified, or amended, and as to which the time to appeal, petition for certiorari, or move for reargument, reconsideration, or rehearing has expired and no appeal, petition for certiorari, or motion for reargument, reconsideration, or rehearing has been timely taken or filed, or as to which any appeal, petition for certiorari, or motion for reargument, reconsideration, or rehearing that has been taken or any petition for certiorari that has been or may be filed has been resolved by the highest court to which the order or judgment could be appealed or from which certiorari could be sought or the new trial, reargument, or rehearing shall have been denied, resulted in no modification of such order, or has otherwise been dismissed with prejudice; *provided*, *however*, that the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure or any comparable rule of the Bankruptcy Rules may be Filed relating to such order shall not cause such order to not be a Final Order.

99. "***Future Sale Consideration***" means, if the Term Loan Lenders are the Winning Bidder and the Reorganized Debtors are sold within 24 months of the Effective Date and the Term Loan Lenders receive more than a 30% recovery on account of their Term Loan Claims (based on the full amount of each such Holder's Term Loan Claim) (which shall be calculated after the repayment in full of the Exit Facilities (including, for the avoidance of doubt, the conversion of the DIP Term Loan Credit Facility into the Exit Term Loan Credit Facility), any Claims related to the foregoing, and any replacement or additional money raised to fund the Reorganized Debtors, the sources and uses of such sale transaction, and any other obligations repaid as part of such transaction), 5% of each dollar in excess thereof.

100. "***General Unsecured Claim***" means any Claim that is not Secured and is not (a) an Administrative Claim (including, for the avoidance of doubt, a Professional Fee Claim), (b) an Other Secured Claim, (c) a Priority Tax Claim, (d) an Other Priority Claim, (e) an ABL Claim, (f) a Term Loan Claim, or (g) a DIP Claim. Any Term Loan Deficiency Claim shall be waived and shall not constitute a General Unsecured Claim.

101. "***Governmental Unit***" has the meaning set forth in section 101(27) of the Bankruptcy Code.

102. "***GUC Reorganization Recovery Pool***" means if the Term Loan Lenders are the Winning Bidder, Cash in the amount of $500,000, *less* any fees, expenses, and disbursements of the Plan Administrator in excess of the Plan Administrator Budget, including any fees, expenses, and disbursements associated with the prosecution of Commercial Tort Claims, if any.

103. "***GUC Sale Transaction Recovery Pool***" means, in a Sale Transaction, from the first available proceeds of the Term Loan Priority Collateral: (a) Cash in the amount of $600,000, plus (b) if the Term Loan Lenders receive more than a 30% recovery on account of their Term Loan Claims (based on the full amount of each such Holder's Term Loan Claim), 5% of each dollar in excess thereof, plus (c) if the Term Loan Lenders receive more than a 50% recovery on account of their Term Loan Claims (based on the full amount of each such Holder's Term Loan Claim), 7.5% of each dollar in excess thereof, less (d) any fees, expenses, and disbursements of the Plan Administrator in excess of the Plan Administrator Budget, including any fees, expenses, disbursements associated with the prosecution of Commercial Tort Claims, if any.

104. "***Holder***" means an Entity holding a Claim or an Interest in any Debtor.

105. "***Hollander Canada***" means Hollander Sleep Products Canada Limited.

106. "***Impaired***" means, with respect to a Class of Claims or Interests, a Class of Claims or Interests that is impaired within the meaning of section 1124 of the Bankruptcy Code.

107. "***Indemnification Obligations***" means each of the Debtors' indemnification obligations in place as of the Effective Date, whether in the bylaws, certificates of incorporation or formation, limited liability company agreements, other organizational or formation documents, board resolutions, management or indemnification agreements, or employment or other contracts, for their current and former directors, officers, managers, members, employees, attorneys, accountants, investment bankers, and other professionals and agents of the Debtors.

108. "***Information Officer***" means the information officer appointed by the Canadian Court in the Recognition Proceedings.

109. "***Initial Distribution Date***" means the date on which the Disbursing Agent shall make initial distributions to holders of Claims and Interests pursuant to the Plan, which shall be as soon as reasonably practicable after the Effective Date but in no event shall be later than 30 days after the Effective Date.

110. "***Initial Minimum Overbid***" has the meaning given to such term in the Bidding Procedures.

111. "***Intercompany Claim***" means any Claim held by a Debtor or an Affiliate of a Debtor against another Debtor arising before the Petition Date and excludes, for the avoidance of doubt, the Canadian Intercompany Claim.

112. "***Intercompany Interest***" means an Interest in any Debtor, or a direct or indirect subsidiary of any Debtor, other than an Interest in Dream II.

113. "***Intercreditor Agreement***" means that certain Intercreditor Agreement, dated as of June 9, 2017, by and among the Prepetition Agents, as amended, restated, supplemented, or otherwise modified in accordance with its terms.

114. "***Interest***" means any equity security in a Debtor as defined in section 101(16) of the Bankruptcy Code, including all issued, unissued, authorized, or outstanding shares of capital stock of the Debtors and any other rights, options, warrants, stock appreciation rights, phantom stock rights, restricted stock units, redemption rights, repurchase rights, convertible, exercisable, or exchangeable securities, or other agreements, arrangements, or commitments of any character relating to, or whose value is related to, any such interest or other ownership interest in any Debtor whether or not arising under or in connection with any employment agreement and whether or not certificated, transferable, preferred, common, voting, or denominated "stock" or a similar security, including any Claims against any Debtor subject to subordination pursuant to section 510(b) of the Bankruptcy Code arising from or related to any of the foregoing.

115. "***Interim Compensation Order***" means the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Retained Professionals* [Docket No. 179], entered by the Bankruptcy Court on July 3, 2019, as the same may be modified by a Bankruptcy Court order approving the retention of a specific Professional or otherwise.

116. "***Judicial Code***" means title 28 of the United States Code, 28 U.S.C. §§ 1–4001, as now in effect or hereafter amended, and the rules and regulations promulgated thereunder.

117. "***Last Out DIP Loan Claims***" means any and all Claims derived from or based upon the Last Out DIP Loans.

118. "***Last Out DIP Loans***" means those Last Out Loans that upon entry of the final DIP ABL Order were deemed refinanced or replaced by, or otherwise converted into, Last Out Loans under the DIP ABL Credit Facility.

119. "***Last Out Loans***" means those "Last Out Loans" as defined in the ABL Credit Agreement.

120. "***Last Out Loans Turnover***" means the turnover of the Last Out Loans Turnover Amount in accordance with the terms of the Plan.

121. "***Last Out Loans Turnover Amount***" means an amount up to $650,000 in the aggregate to be paid for the benefit of Holders of General Unsecured Claims, which shall be paid from (i) the first $200,000 of any proceeds distributed to Holders of Last Out DIP Loan Claims on account of such Claims (including, after being rolled into any Exit ABL Facility, on account of any repayment as part of such Exit ABL Facility), plus (ii) 50 percent of each dollar received in excess of the first $200,000 of any such proceeds distributed to the Holders of Last Out DIP Loan Claims up to a total maximum amount of $650,000 (inclusive of the first $200,000 of proceeds paid).

122. "***Lien***" means a lien as defined in section 101(37) of the Bankruptcy Code.

123. "***Management Incentive Plan***" means that certain management incentive plan that may be adopted by the New Board after the Effective Date on terms to be determined by and at the discretion of the New Board, including with respect to allocation, timing, and structure of such issuance and the Management Incentive Plan, the amount of which shall be reasonably acceptable to the Debtors, the Term Loan Agent, and the Required Term Lenders.

124. "***New Board***" means the initial board of directors, members, or managers, as applicable, of the Reorganized Dream II.

125. "***New Interests***" means the equity interests in Reorganized Dream II.

126. "***New Money Exit Term Loan Facility***" means the "new money" term loan credit facility in the aggregate principal amount of $30,000,000 provided for under the Exit Term Loan Credit Agreement.

127. "***New Organizational Documents***" means the form of the certificates or articles of incorporation or formation, bylaws, limited liability company agreements, or such other applicable formation documents, including

any shareholders agreement, of Reorganized Dream II, the terms of which shall be reasonably acceptable to the Debtors, the Term Loan Agent, and the Required Term Lenders and which shall be included in the Plan Supplement.

128. "***Notice and Claims Agent***" means Omni Management Group in its capacity as notice and claims agent for the Debtors and any successor.

129. "***Other Priority Claim***" means any Claim, to the extent such Claim has not already been paid during the Chapter 11 Cases, other than an Administrative Claim or a Priority Tax Claim, entitled to priority in right of payment under section 507(a) of the Bankruptcy Code.

130. "***Other Secured Claim***" means any Secured Claim that is not a DIP Claim, an ABL Claim, a Term Loan Claim, or a Secured Tax Claim, and includes (i) any Claim secured by the Administration Charge, and (ii) the Canadian Intercompany Claim.

131. "***Payoff Letter***" means the payoff letter in respect of any payment in full of the DIP ABL Claims and ABL Claims (excluding last out DIP Claims) in accordance with Section 1.4 of the DIP ABL Credit Agreement, to be agreed upon by the Debtor and the DIP ABL Agent prior to the Effective Date.

132. "***Person***" means a person as such term as defined in section 101(41) of the Bankruptcy Code.

133. "***Petition Date***" means the date on which each of the Debtors commenced the Chapter 11 Cases.

134. "***Plan***" means this *Debtors' Joint Plan of Reorganization of Hollander Sleep Products, LLC and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code*, as may be altered, amended, modified, or supplemented from time to time in accordance with Article X hereof, including the Plan Supplement (as modified, amended or supplemented from time to time), which is incorporated herein by reference and made part of the Plan as if set forth herein.

135. "***Plan Administrator***" means (a) if the Holders of Class 5 Claims vote to accept the Plan, a person or Entity designated by the Committee in consultation with the Debtors, or (b) if the Holders of Class 5 Claims vote to reject the Plan, a person or Entity designated by the Debtors in consultation with the Committee, who will be disclosed prior to the Confirmation Hearing to have all power and authorities set forth in Article VII.B of the Plan.

136. "***Plan Administrator Budget***" means that certain budget governing the fees, expenses, disbursements of the Plan Administrator, which budget shall be reasonably acceptable to the Debtors, the Committee, the Term Loan Agent, and the Required Term Lenders and filed with the Bankruptcy Court as part of the Plan Supplement.

137. "***Plan Settlement***" means the good faith compromise and settlement of all Claims, Interests, and controversies as described in Article IV.A of the Plan.

138. "***Plan Supplement***" means the compilation of documents and forms of documents, agreements, schedules, and exhibits to the Plan, the initial draft of certain of such documents shall be Filed by the Debtors fourteen calendar days before the first day of the Confirmation Hearing, and additional documents Filed with the Bankruptcy Court prior to the Effective Date, as may be amended, supplemented, altered, or modified from time to time in accordance with the terms hereof, the Bankruptcy Code, and the Bankruptcy Rules, including: (a) the New Organizational Documents, if applicable; (b) the Exit ABL Credit Agreement, if applicable; (c) the Exit Term Loan Credit Agreement, if applicable; (d) any necessary documentation related to the Sale Transaction, if applicable; (e) the Schedule of Assumed Executory Contracts and Unexpired Leases; (f) the Schedule of Rejected Executory Contracts and Unexpired Leases; (g) the Schedule of Retained Causes of Action; (h) the identity of the members of the New Board and any executive management for the Reorganized Debtors; (i) the Payoff Letter; (j) the Restructuring Transactions Memorandum; (k) the identity and terms of compensation of the Plan Administrator; (l) the Plan Administrator Budget; and (m) any other necessary documentation related to the Restructuring Transactions, which shall be reasonably acceptable to the Debtors, the Sponsor, the Term Loan Agent, and the Required Term Lenders.

139. "***Prepetition Agents***" means the ABL Agent and the Term Loan Agent.

140. "***Prepetition Facilities***" means the ABL Credit Facility and the Term Loan Facility.

141. "***Prepetition Secured Lenders***" means the ABL Lenders and Term Loan Lenders.

142. "***Priority Tax Claim***" means any Claim of a Governmental Unit of the kind specified in section 507(a)(8) of the Bankruptcy Code.

143. "***Pro Rata***" means the proportion that an Allowed Claim or an Allowed Interest in a particular Class bears to the aggregate amount of Allowed Claims or Allowed Interests in that Class.

144. "***Professional***" means an Entity retained in the Chapter 11 Cases pursuant to and in accordance with sections 327, 363, or 1103 of the Bankruptcy Code and to be compensated for services rendered and expenses incurred pursuant to sections 327, 328, 329, 330, 331, or 363 of the Bankruptcy Code, *provided* that, for the avoidance of doubt, the advisors to the Term Loan Agent, the DIP Agents, and the ABL Agent shall not constitute a "Professional."

145. "***Professional Fee Claims***" mean all Claims for fees and expenses (including transaction and success fees) incurred by a Professional on or after the Petition Date through and including the Confirmation Date to the extent such fees and expenses have not been paid pursuant to an order of the Bankruptcy Court and regardless of whether a monthly fee statement or interim fee application has been Filed for such fees and expenses. To the extent a Bankruptcy Court or higher court of competent jurisdiction denies or reduces by a Final Order any amount of a Professional's fees or expenses, then the amount by which such fees or expenses are reduced or denied shall reduce the applicable Professional Fee Claim.

146. "***Professional Fee Escrow Account***" means an interest-bearing escrow account to be funded by the Debtors with Cash on the Effective Date in an amount equal to the Professional Fee Escrow Amount, *provided* that the Professional Fee Escrow shall be increased from Cash on hand at the Reorganized Debtors to the extent applications are filed after the Effective Date in excess of the amount of Cash funded into the escrow as of the Effective Date.

147. "***Professional Fee Escrow Amount***" means the total amount of Professional fees and expenses estimated pursuant to Article II.B.3 of the Plan.

148. "***Proof of Claim***" means a written proof of Claim Filed against any of the Debtors in the Chapter 11 Cases.

149. "***Proof of Interest***" means a written proof of Interest Filed against any of the Debtor in the Chapter 11 Cases.

150. "***Put Purchasers***" means Sentinel Capital Partners V, L.P., Sentinel Dream Blocker, Inc., and Sentinel Capital Investors V, L.P.

151. "***Quarterly Distribution Date***" means the first Business Day after the end of each quarterly calendar period (i.e., March 31, June 30, September 30, and December 31 of each calendar year) occurring after the Effective Date, or as soon thereafter as is reasonably practicable.

152. "***Recognition Proceedings***" means the proceedings commenced by the Debtors under Part IV of the CCAA in the Canadian Court to recognize the Chapter 11 Cases as "foreign main proceedings" in Canada.

153. "***Reinstate***," "***Reinstated***," or "***Reinstatement***" means (a) leaving unaltered the legal, equitable, and contractual rights to which a Claim or Interest entitles the Holder of such Claim or Interest so as to leave such Claim or Interest not Impaired or (b) notwithstanding any contractual provision or applicable law that entitles the Holder of a Claim or Interest to demand or receive accelerated payment of such Claim or Interest after the occurrence of a default: (i) curing any such default that occurred before or after the Petition Date, other than a default of a kind

specified in section 365(b)(2) of the Bankruptcy Code or of a kind that section 365(b)(2) expressly does not require to be cured; (ii) reinstating the maturity (to the extent such maturity has not otherwise accrued by the passage of time) of such Claim or Interest as such maturity existed before such default; (iii) compensating the Holder of such Claim or Interest for any damages incurred as a result of any reasonable reliance by such holder on such contractual provision or such applicable law; (iv) if such Claim or Interest arises from a failure to perform a nonmonetary obligation other than a default arising from failure to operate a nonresidential real property lease subject to section 365(b)(1)(A), compensating the Holder of such Claim or Interest (other than the Debtor or an insider) for any actual pecuniary loss incurred by such Holder as a result of such failure; and (v) not otherwise altering the legal, equitable, or contractual rights to which such Claim or Interest entitles the Holder.

154. "***Released Party***" means, collectively, and in each case in its capacity as such: (a) the Debtors; (b) the Reorganized Debtors; (c) the Prepetition Secured Lenders; (d) the Prepetition Agents; (e) the DIP Lenders; (f) the Put Purchasers; (g) the DIP Agents; (h) the Exit Facility Lenders; (i) the Exit Facility Agents; (j) the Winning Bidder; (k) the Sponsor; (l) the parties to the RSA; (m) the Committee; and (n) with respect to each of the foregoing in clauses (a) through (m), such Entity and its current and former Affiliates, and such Entities' and their current Affiliates' directors, managers, officers, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, participants, successors, and assigns, subsidiaries, affiliates, managed accounts or funds, and each of their respective current and former equity holders, officers, directors, managers, principals, shareholders, members (other than members of the Committee), management companies, fund advisors, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals; *provided* that any of the foregoing that does not consent to the releases shall not be a "Released Party."

155. "***Releasing Parties***" means, collectively, each of the following: (a) the Debtors; (b) the Reorganized Debtors; (c) the Prepetition Secured Lenders; (d) the Prepetition Agents; (e) the DIP Lenders; (f) the Put Purchasers; (g) the DIP Agents; (h) the Exit Facility Lenders; (i) the Exit Facility Agents; (j) the Winning Bidder; (k) the Sponsor; (l) the parties to the RSA; (m) the Committee; (n) with respect to each of the foregoing in clauses (a) through (m), such Entity and its current and former Affiliates, and such Entities' and their current and former Affiliates' current and former directors, managers, officers, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, successors, and assigns, subsidiaries, affiliates, managed accounts or funds, and each of their respective current and former equity holders, officers, directors, managers, principals, shareholders, members, management companies, fund advisors, employees, agents, advisory board members (other than members of the Committee), financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, each in their capacity as such and solely to the extent of such Entity's authority to bind any of the foregoing, including pursuant to agreement or applicable non-bankruptcy law; (o) all Holders of Claims that vote to accept the Plan; (p) all Holders of Claims that vote to reject the Plan but elect on their ballot to opt into the Third-Party Release; and (q) all Holders of Claims or Interests not described in the foregoing clauses (a) through (p) who elect to opt into the Third-Party Release.

156. "***Reorganized Debtors***" means the Debtors, as reorganized pursuant to and under the Plan, or any successor or assign thereto, by merger, amalgamation, consolidation, or otherwise, on or after the Effective Date, including Reorganized Dream II.

157. "***Reorganized Dream II***" means Dream II Holdings, LLC, or any successor thereto, by merger, consolidation, or otherwise, on or after the Effective Date.

158. "***Required Term Lenders***" means the Required Consenting Term Loan Lenders (as defined in the RSA).

159. "***Restructuring Transactions***" means the transactions described in Article IV.B of the Plan.

160. "***Restructuring Transactions Memorandum***" means, if the Term Loan Lenders are the Winning Bidder, a memorandum to be included in the Plan Supplement, prior to the Effective Date that, among other things, sets forth the steps necessary to effectuate the transactions described in Article IV.B of the Plan.

161. "***RSA***" means that certain restructuring support agreement, dated as of May 19, 2019, by and among the Debtors, the Consenting Term Loan Lenders, and the Sponsor, as amended and restated by that certain amended and restated restructuring support and settlement agreement, dated as of July 21, 2019, by and among the Debtors, the Consenting Term Loan Lenders, the Committee, and the Sponsor, as may be amended, restated, supplemented, or modified from time to time.

162. "***Sale Transaction***" means the sale of all or substantially all of the Debtors' assets to the Winning Bidder, if such Winning Bidder is an Entity other than the Term Loan Lenders, consummated in accordance with the Bidding Procedures and the Plan.

163. "***Schedule of Assumed Executory Contracts and Unexpired Leases***" means the schedule of certain Executory Contracts and Unexpired Leases to be assumed by the Debtors pursuant to the Plan, as the same may be amended, modified, or supplemented from time to time by the Debtors, which shall be reasonably acceptable to the Debtors, the Term Loan Agent, and the Required Term Lenders and shall be included in the Plan Supplement.

164. "***Schedule of Rejected Executory Contracts and Unexpired Leases***" means the schedule of certain Executory Contracts and Unexpired Leases to be rejected by the Debtors pursuant to the Plan, as the same may be amended, modified, or supplemented from time to time by the Debtors, which shall be reasonably acceptable to the Debtors, the Term Loan Agent, and the Required Term Lenders and shall be included in the Plan Supplement.

165. "***Schedule of Retained Causes of Action***" means the schedule of certain Causes of Action of the Debtors that are not released, waived, or transferred pursuant to the Plan, as the same may be amended, modified, or supplemented from time to time by the Debtors, which shall be reasonably acceptable to the Debtors, the Term Loan Agent, and the Required Term Lenders and shall be included in the Plan Supplement.

166. "***Schedules***" means, collectively, the schedules of assets and liabilities, schedules of Executory Contracts and Unexpired Leases and statements of financial affairs Filed by the Debtors pursuant to section 521 of the Bankruptcy Code, as such schedules may be amended, modified, or supplemented from time to time.

167. "***Section 510(b) Claim***" means any Claim subject to subordination under section 510(b) of the Bankruptcy Code; *provided* that a Section 510(b) Claim shall not include any Claim subject to subordination under section 510(b) of the Bankruptcy Code arising from or related to an Interest.

168. "***Secured***" means when referring to a Claim: (a) secured by a Lien on property in which the applicable Estate has an interest, which Lien is valid, perfected, and enforceable pursuant to applicable law or by reason of a Bankruptcy Court or Canadian Court order, or that is subject to setoff pursuant to section 553 of the Bankruptcy Code, to the extent of the value of the creditor's interest in such Estate's interest in such property or to the extent of the amount subject to setoff, as applicable, which value shall be determined pursuant to section 506(a) of the Bankruptcy Code or (b) Allowed pursuant to the Plan as a Secured Claim.

169. "***Secured Tax Claim***" means any Secured Claim that, absent its secured status would be entitled to priority in right of payment under section 507(a)(8) of the Bankruptcy Code (determined irrespective of time limitations), including authority related Secured Claim for penalties.

170. "***Securities Act***" means the Securities Act of 1933, 15 U.S.C. §§ 77a–77aa, as now in effect or hereafter amended, and the rules and regulations promulgated thereunder.

171. "***Security***" means a security as defined in section 2(a)(1) of the Securities Act.

172. "***Sponsor***" means Sentinel Capital Partners on behalf of itself and each of its affiliated investment funds or investment vehicles managed or advised by it, and its Affiliates, each solely in their capacity as holders of direct or indirect equity interests in Dream II.

173. "***Supporting Vendor***" means any vendor who participates in the Vendor Support Incentive.

174. "***Term Loan Agent***" means Barings Finance LLC, in its capacity as administrative agent under the Term Loan Credit Agreement, solely in its capacity as such.

175. "***Term Loan Claims***" means any and all Claims relating to, arising out of, arising under, or arising in connection with the Term Loan Facility and the Term Loan Documents.

176. "***Term Loan Credit Agreement***" means that certain term loan credit agreement dated as of June 9, 2017, by and among Hollander Sleep Products, LLC, as borrower, Dream II and Hollander Home Fashions Holdings, LLC, as guarantors, the Term Loan Lenders, and the Term Loan Agent, as amended, modified, restated, or supplemented from time to time prior to the Petition Date.

177. "***Term Loan Deficiency Claim***" means a Term Loan Claim that is not a Secured Claim, which Term Loan Deficiency Claim shall be, subject to the occurrence of the Effective Date, waived pursuant to the Plan.

178. "***Term Loan Distributable Cash***" means, only in the event that the Winning Bidder is an Entity other than the Term Loan Lenders, any Cash proceeds of a Sale Transaction in excess of amounts necessary to (i) satisfy all Claims senior in priority to the Term Loan Claims (including the ABL Claims and DIP ABL Claims secured by the ABL Priority Collateral) in full, in Cash, as provided herein, (ii) fund the GUC Sale Transaction Recovery Pool, and (iii) fund the Plan Administrator Budget.

179. "***Term Loan Documents***" means the Term Loan Credit Agreement and all other agreements, documents, and instruments related thereto, including any guaranty agreements, pledge and collateral agreements, intercreditor agreements, and other security agreements, in each case, as amended, modified, restated, or supplemented from time to time prior to the Petition Date.

180. "***Term Loan Facility***" means the term loan facility provided for under the Term Loan Credit Agreement.

181. "***Term Loan Lenders***" means the banks, financial institutions, and other lenders party to the Term Loan Credit Agreement from time to time, each solely in their capacity as such.

182. "***Term Loan Priority Collateral***" has the meaning given to such term as defined in the Intercreditor Agreement.

183. "***Third-Party Release***" means the release given by each of the Releasing Parties to the Released Parties as set forth in Article VIII.D of the Plan.

184. "***U.S. Trustee***" means the Office of the United States Trustee for the Southern District of New York.

185. "***Unexpired Lease***" means a lease to which one or more of the Debtors is a party that is subject to assumption or rejection under section 365 or section 1123 of the Bankruptcy Code.

186. "***Unimpaired***" means, with respect to a Class of Claims or Interests, a Class of Claims or Interests that is unimpaired within the meaning of section 1124 of the Bankruptcy Code.

187. "***Vendor Support Incentive***" means for each Supporting Vendor who agrees at the request of the Debtors, in the Debtors' sole discretion, to provide standard prepetition trade credit to the Reorganized Debtors on the most favorable terms extended by the Supporting Vendor in the 12 months before the Petition Date (but in no event less than 60-day terms) for the 12-month period beginning on the Effective Date, which support shall be documented in a trade agreement acceptable to the Debtors, (a)(i) a payment of 3.0% of the average outstanding payable balance for the 12-month period beginning on the Effective Date to be paid in six monthly installments *plus* (ii) 1% of such Supporting Vendor's Allowed General Unsecured Claim, or (b) a letter of credit from the Reorganized Debtors backing the payment of the moving average outstanding payable balance for the 12-month period beginning on the Effective Date.

188. "***Voting Deadline***" means 4:00 p.m., prevailing Eastern Time, on August 28, 2019.

189. "***Winning Bidder***" means the Entity or Entities whose bid or bids for some or all of the Debtors' assets, which for the avoidance of doubt may include the transaction contemplated under the Plan, is selected by the Debtors and approved by the Bankruptcy Court as the highest or otherwise best bid pursuant to the Bidding Procedures. For the avoidance of doubt, if there is no third-party purchaser of the assets, the Term Loan Lenders shall be deemed to be the Winning Bidder in accordance with the other terms and provisions of the Plan.

B. Rules of Interpretation

For purposes of this Plan: (1) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and the neuter gender; (2) any reference herein to a contract, lease, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that the referenced document shall be substantially in that form or substantially on those terms and conditions; (3) any reference herein to an existing document, schedule, or exhibit, whether or not Filed, having been Filed or to be Filed shall mean that document, schedule, or exhibit, as it may thereafter be amended, restated, supplemented, or otherwise modified; (4) any reference to an Entity as a Holder of a Claim or Interest includes that Entity's successors and assigns; (5) unless otherwise specified, all references herein to "Articles" are references to Articles of the Plan or hereto; (6) unless otherwise specified, all references herein to exhibits are references to exhibits in the Plan Supplement; (7) the words "include" and "including," and variations thereof, shall not be deemed to be terms of limitation, and shall be deemed to be followed by the words "without limitation"; (8) unless otherwise specified, the words "herein," "hereof," and "hereto" refer to the Plan in its entirety rather than to a particular portion of the Plan; (9) subject to the provisions of any contract, certificate of incorporation, bylaw, instrument, release, or other agreement or document entered into in connection with the Plan, the rights and obligations arising pursuant to the Plan shall be governed by, and construed and enforced in accordance with, applicable federal law, including the Bankruptcy Code and the Bankruptcy Rules, or, if no rule of law or procedure is supplied by federal law (including the Bankruptcy Code and the Bankruptcy Rules) or otherwise specifically stated, the laws of the State of New York, without giving effect to the principles of conflict of laws; (10) captions and headings to Articles are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan; (11) unless otherwise specified herein, the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; (12) all references to docket numbers of documents Filed in the Chapter 11 Cases are references to the docket numbers under the Bankruptcy Court's CM/ECF system; (13) all references to statutes, regulations, orders, rules of courts, and the like shall mean as amended from time to time, and as applicable to the Chapter 11 Cases, unless otherwise stated; (14) any effectuating provisions may be interpreted by the Debtors or Reorganized Debtors in such a manner that is consistent with the overall purpose and intent of the Plan all without further notice to or action, order, or approval of the Bankruptcy Court or any other Entity, and such interpretation shall be conclusive; (15) any references herein to the Effective Date shall mean the Effective Date or as soon as reasonably practicable thereafter; (16) all references herein to consent, acceptance, or approval shall be deemed to include the requirement that such consent, acceptance, or approval be evidenced by a writing, which may be conveyed by counsel for the respective parties that have such consent, acceptance, or approval rights, including by electronic mail; (17) any term used in capitalized form herein that is not otherwise defined but that is used in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be; (18) references to "shareholders," "directors," and/or "officers" shall also include "members" and/or "managers," as applicable, as such terms are defined under the applicable state limited liability company laws; and (19) except as otherwise specifically provided in the Plan to the contrary, references in the Plan to the Debtors or the Reorganized Debtors shall mean the Debtors and the Reorganized Debtors, as applicable, to the extent the context requires.

C. Computation of Time

Unless otherwise specifically stated herein, the provisions of Bankruptcy Rule 9006(a) shall apply in computing any period of time prescribed or allowed herein. If the date on which a transaction may occur pursuant to the Plan shall occur on a day that is not a Business Day, then such transaction shall instead occur on the next succeeding Business Day.

D. Governing Law

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) or unless otherwise specifically stated herein, the laws of the State of New York, without giving effect to the principles of conflict of laws, shall govern the rights, obligations, construction, and implementation of the Plan, any agreements, documents, instruments, or contracts executed or entered into in connection with the Plan (except as otherwise set forth in those agreements, in which case the governing law of such agreement shall control); *provided*, *however*, that corporate or limited liability company governance matters relating to the Debtors or the Reorganized Debtors, as applicable, not incorporated in New York shall be governed by the laws of the state of incorporation or formation of the applicable Debtor or the Reorganized Debtors, as applicable.

E. Reference to Monetary Figures

All references in the Plan to monetary figures shall refer to currency of the United States of America, unless otherwise expressly provided.

F. Non-Consolidated Plan

Although for purposes of administrative convenience and efficiency the Plan has been filed as a joint plan that addresses the reorganization of each of the Debtors and presents together Classes of Claims against, and Interests in, the Debtors, the Plan does not provide for the substantive consolidation of any of the Debtors and the Plan is a separate Plan for each Debtor.

ARTICLE II.
ADMINISTRATIVE CLAIMS, DIP CLAIMS AND PRIORITY TAX CLAIMS

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, Professional Fee Claims, DIP Claims, and Priority Tax Claims have not been classified and, thus, are excluded from the Classes of Claims and Interests set forth in Article III.

A. Administrative Claims

Unless otherwise agreed to by the Holder of an Allowed Administrative Claim and the Debtors or the Reorganized Debtors, as applicable, to the extent an Allowed Administrative Claim has not already been paid in full or otherwise satisfied during the Chapter 11 Cases, each Holder of an Allowed Administrative Claim (other than Holders of Professional Fee Claims) will receive in full and final satisfaction of its Allowed Administrative Claim an amount of Cash equal to the amount of the unpaid portion of such Allowed Administrative Claim in accordance with the following: (1) if such Administrative Claim is Allowed on or prior to the Effective Date, no later than 30 days after the Effective Date or as soon as reasonably practicable thereafter (or, if not then due, when such Allowed Administrative Claim is due or as soon as reasonably practicable thereafter); (2) if such Administrative Claim is not Allowed as of the Effective Date, no later than 30 days after the date on which an order Allowing such Administrative Claim becomes a Final Order, or as soon as reasonably practicable thereafter; (3) if such Allowed Administrative Claim is based on liabilities incurred by the Debtors in the ordinary course of their business after the Petition Date, in accordance with the terms and conditions of the particular transaction or course of business giving rise to such Allowed Administrative Claim, without any further action by the Holder of such Allowed Administrative Claim; (4) at such time and upon such terms as may be agreed upon by the Holder of such Allowed Administrative Claim and the Debtors or the Reorganized Debtors, as applicable; or (5) at such time and upon such terms as set forth in a Final Order of the Bankruptcy Court.

Except for Professional Fee Claims and DIP Claims (which are addressed in Article II.B and Article II.C, respectively), and unless previously Filed, requests for payment of Administrative Claims must be Filed and served on the Reorganized Debtors no later than the Administrative Claim Bar Date pursuant to the procedures specified in the Confirmation Order and the notice of entry of the Confirmation Order. Objections to such requests must be Filed and served on the Reorganized Debtors (if the Reorganized Debtors are not the objecting party) and the requesting party on or before the Administrative Claim Objection Bar Date. After notice and a hearing in accordance with the

procedures established by the Bankruptcy Code, the Bankruptcy Rules, and prior Bankruptcy Court orders, the Allowed amounts, if any, of Administrative Claims shall be determined by, and satisfied in accordance with, an order of the Bankruptcy Court that becomes a Final Order.

Except for Professional Fee Claims and DIP Claims, Holders of Administrative Claims that are required to File and serve a request for payment of such Administrative Claims that do not file and serve such a request on or before the Administrative Claim Bar Date shall be forever barred, estopped, and enjoined from asserting such Administrative Claims against the Debtors, the Reorganized Debtors, the Estates, or the property of any of the foregoing, and such Administrative Claims shall be deemed discharged as of the Effective Date without the need for any objection from the Reorganized Debtors or any notice to or action, order, or approval of the Bankruptcy Court or any other Entity.

B. Professional Fee Claims

1. Final Fee Applications and Payment of Professional Fee Claims

All final requests for payment of Professional Fee Claims for services rendered and reimbursement of expenses incurred prior to the Confirmation Date must be Filed no later than 30 days after the Effective Date. The Bankruptcy Court shall determine the Allowed amounts of such Professional Fee Claims after notice and a hearing in accordance with the procedures established by the Bankruptcy Code, Bankruptcy Rules, and prior Bankruptcy Court orders. The Reorganized Debtors shall pay the amount of the Allowed Professional Fee Claims owing to the Professionals in Cash to such Professionals, including from funds held in the Professional Fee Escrow Account when such Professional Fee Claims are Allowed by entry of an order of the Bankruptcy Court.

2. Professional Fee Escrow Account

As soon as is reasonably practicable after the Confirmation Date and no later than the Effective Date, the Debtors shall establish and fund the Professional Fee Escrow Account with Cash equal to the Professional Fee Escrow Amount. The Professional Fee Escrow Account shall be maintained in trust solely for the Professionals and for no other Entities until all Professional Fee Claims Allowed by the Bankruptcy Court have been irrevocably paid in full to the Professionals pursuant to one or more Final Orders of the Bankruptcy Court. No Liens, claims, or interests shall encumber the Professional Fee Escrow Account or Cash held in the Professional Fee Escrow Account in any way. Funds held in the Professional Fee Escrow Account shall not be considered property of the Estates, the Debtors, or the Reorganized Debtors.

The amount of Professional Fee Claims owing to the Professionals shall be paid in Cash to such Professionals by the Debtors or the Reorganized Debtors, as applicable, from the funds held in the Professional Fee Escrow Account as soon as reasonably practicable after such Professional Fee Claims are Allowed by an order of the Bankruptcy Court; *provided* that the Debtors' and the Reorganized Debtors' obligations to pay Allowed Professional Fee Claims shall not be limited nor be deemed limited to funds held in the Professional Fee Escrow Account. When all Professional Fee Claims Allowed by the Bankruptcy Court have been irrevocably paid in full to the Professionals pursuant to one or more Final Orders of the Bankruptcy Court, any remaining funds held in the Professional Fee Escrow Account shall promptly be paid to the Reorganized Debtors without any further notice to or action, order, or approval of the Bankruptcy Court or any other Entity.

3. Professional Fee Escrow Amount

The Professionals shall provide a reasonable and good-faith estimate of their fees and expenses incurred in rendering services to the Debtors before and as of the Effective Date projected to be outstanding as of the Effective Date, and shall deliver such estimate to the Debtors no later than five days before the anticipated Effective Date; *provided*, *however*, that such estimate shall not be considered or deemed an admission or limitation with respect to the amount of the fees and expenses that are the subject of the Professional's final request for payment of Professional Fee Claims and such Professionals are not bound to any extent by the estimates. If a Professional does not provide an estimate, the Debtors may estimate the unpaid and unbilled fees and expenses of such Professional. The total aggregate amount so estimated as of the Effective Date shall be utilized by the Debtors to determine the amount to be

funded to the Professional Fee Escrow Account, *provided* that the Reorganized Debtors shall use Cash on hand to increase the amount of the Professional Fee Escrow Account to the extent fee applications are Filed after the Effective Date in excess of the amount held in the Professional Fee Escrow Account based on such estimates.

4. Post-Confirmation Fees and Expenses

Except as otherwise specifically provided in the Plan, from and after the Confirmation Date, the Debtors shall, in the ordinary course of business and without any further notice to or action, order, or approval of the Bankruptcy Court, pay in Cash the reasonable and documented legal, professional, or other fees and expenses related to implementation of the Plan and Consummation incurred by (a) the Debtors or the Reorganized Debtors after the Confirmation Date, and (b) the Committee after the Confirmation Date through and including the Effective Date, in the ordinary course of business. The Debtors and Reorganized Debtors, as applicable, shall pay within ten business days after submission of a detailed invoice to the Debtors or Reorganized Debtors, as applicable, such reasonable claims for compensation or reimbursement of expenses incurred by the Professionals of the Debtors and Reorganized Debtors, as applicable. If the Debtors or Reorganized Debtors, as applicable, dispute the reasonableness of any such invoice, the Debtors or Reorganized Debtors, as applicable, or the affected professional may submit such dispute to the Bankruptcy Court for a determination of the reasonableness of any such invoice, and the disputed portion of such invoice shall not be paid until the dispute is resolved. Upon the Confirmation Date, any requirement that Professionals comply with sections 327 through 331 and 1103 of the Bankruptcy Code or the Interim Compensation Order in seeking retention or compensation for services rendered after such date shall terminate, and the Debtors may employ and pay any Professional in the ordinary course of business without any further notice to or action, order, or approval of the Bankruptcy Court.

C. DIP Claims

As of the Effective Date, the DIP Claims shall be Allowed and deemed to be Allowed Claims in the full amount outstanding under the DIP Credit Agreements, including principal, interest, fees, costs, other charges, and expenses. Upon the indefeasible payment or satisfaction in full in Cash of the Allowed DIP Claims in accordance with the terms of this Plan, or other such treatment as contemplated by this Article II.C of the Plan, on the Effective Date all Liens and security interests granted to secure such obligations shall be automatically terminated and of no further force and effect without any further notice to or action, order, or approval of the Bankruptcy Court or any other Entity.

1. DIP ABL Claims

Except as set forth in Article II.C.2 and to the extent that a Holder of an Allowed DIP ABL Claim agrees to a less favorable treatment, in full and final satisfaction, compromise, settlement, release, and discharge of, and in exchange for, each Allowed DIP ABL Claim, each such Holder of an Allowed DIP ABL Claim shall receive on the Effective Date (a) payment in full in Cash of such Holder's Allowed DIP ABL Claim pursuant to the Payoff Letter or (b) at such Holder's election and agreement by the Debtors, such Holder's Pro Rata share of the Exit ABL Facility. Notwithstanding anything to the contrary in this Plan, the Reorganized Debtors shall be and remain bound by the indemnification and expense reimbursement provisions of the Payoff Letter in favor of the DIP ABL Agent and DIP ABL Lenders.

Pursuant to the DIP ABL Credit Agreement, all distributions pursuant to this Article II.C.1 shall be made to the DIP ABL Agent for distributions to the DIP ABL Lenders in accordance with the DIP ABL Credit Agreement and DIP ABL Loan Documents. The DIP ABL Agent shall hold or direct distributions for the benefit of the Holders of DIP ABL Claims. The DIP ABL Agent shall retain all rights as DIP ABL Agent under the DIP ABL Documents in connection with the delivery of the distributions to the DIP ABL Lenders. The DIP ABL Agent shall not have any liability to any person with respect to distributions made or directed to be made by such DIP ABL Agent, except for liability arising from gross negligence, willful misconduct, or actual fraud of the DIP Term Loan Agent. All cash distributions to be made hereunder to the DIP ABL Agent on account of the DIP ABL Claims shall be made by wire transfer.

2. Last Out DIP Loan Claims

If the Term Loan Lenders are the Winning Bidder, in full and final satisfaction, compromise, settlement, release, and discharge of, and in exchange for, each Allowed Last Out DIP Loan Claim, each such Holder of an Allowed Last Out DIP Loan Claim (or to the extent the Last Out Loans are not rolled into the Last Out DIP Loans, the Holders of Last Out Loans) shall, subject to the Last Out Loans Turnover, receive such Holder's Pro Rata share of the Exit ABL Facility on a last out basis (on terms reasonably acceptable to each Holder of an Allowed Last Out DIP Loan Claim (or Last Out Loans)). The Exit ABL Documents shall include provisions necessary to implement the Last Out Loans Turnover.

Subject to the Last Out Loans Turnover, if an Entity other than the Term Loan Lenders is the Winning Bidder, each Holder of an Allowed Last Out DIP Loan Claim (or to the extent the Last Out Loans are not rolled into the Last Out DIP Loans, the Holders of Last Out Loans) shall receive payments in accordance with the waterfall provisions of the DIP ABL Credit Agreement, the DIP Intercreditor Agreement, and the final DIP ABL Order and final DIP Term Loan Order.

3. DIP Term Loan Claims

Except to the extent that a Holder of an Allowed DIP Term Loan Claim agrees to a less favorable treatment, in full and final satisfaction, compromise, settlement, release, and discharge of, and in exchange for, each Allowed DIP Term Loan Claim, each such Holder of an Allowed DIP Term Loan Claim shall receive on the Effective Date either: (a) if an Entity other than the Term Loan Lenders is the Winning Bidder, (i) payment in full in Cash of such Holder's Allowed DIP Term Loan Claim, or (ii) at such Holder's election and agreement by the Debtors, such Holder's Pro Rata share of the Exit Term Loan Facility; or (b) if the Term Loan Lenders are the Winning Bidder, its Pro Rata share of (i) 37 percent of the New Interests outstanding on the Effective Date, subject to dilution for the Management Incentive Plan, and (ii) the DIP Term Loan Debt Consideration. The DIP Term Loan Claims shall be Allowed in the aggregate amount outstanding under the DIP Term Loan Credit Facility as of the Effective Date; *provided*, *however*, that the DIP Term Loan Claims in respect of contingent and unliquidated obligations of the Debtor under the DIP Term Loan Credit Agreement shall survive the Effective Date on an unsecured basis and shall not be discharged or released pursuant to the Plan or Confirmation Order, and shall be paid by the Reorganized Debtors as and when due under the DIP Term Loan Documents.

Pursuant to the DIP Term Loan Credit Agreement, all distributions pursuant to this Article II.C.3 shall be made to the DIP Term Loan Agent for distributions to the DIP Term Loan Lenders in accordance with the DIP Term Loan Credit Agreement and DIP Term Loan Documents. The DIP Term Loan Agent shall hold or direct distributions for the benefit of the Holders of DIP Term Loan Claims. The DIP Term Loan Agent shall retain all rights as DIP Term Loan Agent under the DIP Term Loan Documents in connection with the delivery of the distributions to the DIP Term Loan Lenders. The DIP Term Loan Agent shall not have any liability to any person with respect to distributions made or directed to be made by such DIP Term Loan Agent, except for liability arising from gross negligence, willful misconduct, or actual fraud of the DIP Term Loan Agent. All cash distributions to be made hereunder to the DIP Term Loan Agent on account of the DIP Term Loan Claims shall be made by wire transfer.

D. Priority Tax Claims

Except to the extent that a Holder of an Allowed Priority Tax Claim agrees to a less favorable treatment, in full and final satisfaction, compromise, settlement, release, and discharge of, and in exchange for, each Allowed Priority Tax Claim, each Holder of such Allowed Priority Tax Claim shall be treated in accordance with the terms set forth in section 1129(a)(9)(C) of the Bankruptcy Code.

ARTICLE III.
CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS

A. Classification of Claims and Interests

Except for the Claims addressed in Article II of the Plan, all Claims and Interests are classified in the Classes set forth in this Article III for all purposes, including voting, Confirmation, and distributions pursuant to the Plan and in accordance with section 1122 and 1123(a)(1) of the Bankruptcy Code. A Claim or an Interest is classified in a particular Class only to the extent that such Claim or Interest qualifies within the description of that Class and is classified in other Classes to the extent that any portion of such Claim or Interest qualifies within the description of such other Classes. A Claim or an Interest also is classified in a particular Class for the purpose of receiving distributions under the Plan only to the extent that such Claim or Interest is an Allowed Claim or Allowed Interest in that Class and has not been paid, released, or otherwise satisfied prior to the Effective Date.

The classification of Claims and Interests against each Debtor pursuant to the Plan is as set forth below. The Plan shall apply as a separate Plan for each of the Debtors, and the classification of Claims and Interests set forth herein shall apply separately to each of the Debtors. All of the potential Classes for the Debtors are set forth herein. Certain of the Debtors may not have Holders of Claims or Interests in a particular Class or Classes, and such Claims shall be treated as set forth in Article III.F hereof. For all purposes under the Plan, each Class will contain sub-Classes for each of the Debtors, except that Class 8 shall be vacant at each Debtor other than Dream II. Voting tabulations for recording acceptances or rejections of the Plan shall be conducted on a Debtor-by-Debtor basis as set forth above.

Class	Claim/Interest	Status	Voting Rights
1	Other Priority Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
2	Other Secured Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
3	Secured Tax Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
4	Term Loan Claims	Impaired	Entitled to Vote
5	General Unsecured Claims	Impaired	Entitled to Vote
6	Intercompany Claims	Impaired or Unimpaired	Not Entitled to Vote (Deemed to Reject)
7	Intercompany Interests	Impaired or Unimpaired	Not Entitled to Vote (Deemed to Accept or Reject)
8	Interests in Dream II	Impaired	Not Entitled to Vote (Deemed to Reject)
9	Section 510(b) Claims	Impaired	Not Entitled to Vote (Deemed to Reject)

B. Treatment of Claims and Interests

Subject to Article VI hereof, each Holder of an Allowed Claim or Allowed Interest, as applicable, shall receive under the Plan the treatment described below in full and final satisfaction, compromise, settlement, release, and discharge of, and in exchange for, such Holder's Allowed Claim or Allowed Interest, except to the extent different treatment is agreed to by the Debtors and the Holder of such Allowed Claim or Allowed Interest, as applicable. Unless otherwise indicated, the Holder of an Allowed Claim or Allowed Interest, as applicable, shall receive such treatment on the later of the Effective Date and the date such Holder's Claim or Interest becomes an Allowed Claim or Allowed Interest or as soon as reasonably practicable thereafter.

1. Class 1 – Other Priority Claims

(a) *Classification*: Class 1 consists of all Other Priority Claims.

(b) *Treatment*: Except to the extent that a Holder of an Allowed Other Priority Claim agrees to less favorable treatment, on the Effective Date, in full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for such Allowed Other Priority Claim, each Holder of an Allowed Other Priority Claim shall receive, at the option of the applicable Debtor or Reorganized Debtor:

(i) payment in full in Cash of the unpaid portion of its Other Priority Claim on the later of the Effective Date and such date such Other Priority Claim becomes an Allowed Other Priority Claim; or

(ii) such other treatment rendering such Holder's Allowed Other Priority Claim Unimpaired.

(c) *Voting*: Class 1 is Unimpaired under the Plan. Holders of Other Priority Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of an Other Priority Claims are not entitled to vote to accept or reject the Plan.

2. Class 2 – Other Secured Claims

(a) *Classification*: Class 2 consists of all Other Secured Claims.

(b) *Treatment*: Except to the extent that a Holder of an Allowed Other Secured Claim agrees to less favorable treatment, on the Effective Date, in full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for such Allowed Other Secured Claim, each Holder of an Allowed Other Secured Claim shall receive, at the option of the applicable Debtor or Reorganized Debtor:

(i) payment in full in Cash of such Holder's Allowed Other Secured Claim;

(ii) the collateral securing such Holder's Allowed Other Secured Claim;

(iii) Reinstatement of such Holder's Allowed Other Secured Claim; or

(iv) such other treatment rendering such Holder's Allowed Other Secured Claim Unimpaired.

(c) *Voting*: Class 2 is Unimpaired under the Plan. Holders of Other Secured Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of an Other Secured Claims are not entitled to vote to accept or reject the Plan.

3. Class 3 – Secured Tax Claims

(a) *Classification*: Class 3 consists of all Secured Tax Claims.

(b) *Treatment*: Except to the extent that a holder of an Allowed Secured Tax Claim and the applicable Debtor or Reorganized Debtor agree to a less favorable treatment, in full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for such Secured Tax Claim, each such holder shall receive, at the option of the applicable Debtor or Reorganized Debtor, as applicable:

(i) payment in full in Cash of the unpaid portion of such holder's Allowed Secured Tax Claim on the later of the Effective Date and such date such Secured Tax Claim becomes an Allowed Secured Tax Claim; or

(ii) equal semi-annual Cash payments commencing as of the Effective Date or as soon as reasonably practicable thereafter and continuing for five years from the Petition Date, in an aggregate amount equal to such Allowed Secured Tax Claim, together with interest at the applicable rate under non-bankruptcy law, subject to the option of the Reorganized Debtors to prepay the entire amount of such Allowed Secured Tax Claim during such time period.

(c) *Voting*: Class 3 is Unimpaired under the Plan. Each holder of a Secured Tax Claim is conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, each holder of a Secured Tax Claim is not entitled to vote to accept or reject the Plan.

4. Class 4 – Term Loan Claims

(a) *Classification*: Class 4 consists of all Term Loan Claims.

(b) *Treatment*: Except to the extent that a Holder of an Allowed Term Loan Claim agrees to less favorable treatment, on the Effective Date, in full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for such Allowed Term Loan Claim, each Holder of an Allowed Term Loan Claim shall receive either:

(i) if an Entity other than the Term Loan Lenders is the Winning Bidder, its Pro Rata share of the Term Loan Distributable Cash up to the full amount of such Holder's Allowed Term Loan Claim or such other treatment rendering such Holder's Allowed Term Loan Claim Unimpaired; or

(ii) if the Term Loan Lenders are the Winning Bidder, its Pro Rata share of 23 percent of the New Interests outstanding on the Effective Date, subject to dilution for the Management Incentive Plan.

(c) *Voting*: Class 4 is Impaired under the Plan. Holders of Term Loan Claims are entitled to vote to accept or reject the Plan.

5. Class 5 – General Unsecured Claims

(a) *Classification*: Class 5 consists of all General Unsecured Claims.

(b) *Treatment*: Except to the extent that a Holder of an Allowed General Unsecured Claim agrees to less favorable treatment, on the Effective Date, in full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for such Allowed General Unsecured Claim, each Holder of an Allowed General Unsecured Claim shall receive, up to the full amount of such Holder's Allowed General Unsecured Claim:

(i) its Pro Rata share of the Last Out Loans Turnover Amount;

(ii) its Pro Rata share of the Commercial Tort Proceeds, if any; and

(iii) either:

a. if the Term Loan Lenders are the Winning Bidder, its Pro Rata share of the

Future Sale Consideration, if any, *plus* either:

I. its Pro Rata share of the GUC Reorganization Recovery Pool; or

II. if the Holder is a Supporting Vendor, the Vendor Support Incentive (*provided* that no Holder that receives the Vendor Support Incentive shall receive such Holder's portion of the GUC Reorganization Recovery Pool); or

b. if an Entity other than the Term Loan Lenders is the Winning Bidder, its Pro Rata share of the GUC Sale Transaction Recovery Pool and the Excess Distributable Cash.

(c) *Voting*: Class 5 is Impaired under the Plan. Holders of Allowed General Unsecured Claims are entitled to vote to accept or reject the Plan.

6. Class 6 – Intercompany Claims

(a) *Classification*: Class 6 consists of all Intercompany Claims.

(b) *Treatment*: *Treatment*: Intercompany Claims shall be, at the option of the Debtors, in consultation with the Term Loan Agent and the Required Term Lenders, either:

(i) Reinstated; or

(ii) cancelled and released without any distribution on account of such Claims.

(c) *Voting*: Class 6 is either Impaired or Unimpaired under the Plan. Holders of Intercompany Claims are either (i) conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code or (ii) presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of Intercompany Claims are not entitled to vote to accept or reject the Plan.

7. Class 7 – Intercompany Interests

(a) *Classification*: Class 7 consists of all Intercompany Interests.

(b) *Treatment*: Intercompany Interests shall be, at the option of the Debtors, in consultation with the Term Loan Agent and the Required Term Lenders, either:

(i) Reinstated in accordance with Article III.G of the Plan; or

(ii) cancelled and released without any distribution on account of such Interests.

(c) Voting: Class 7 is Impaired or Unimpaired under the Plan. Holders of Intercompany Interests are either (i) conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code or (ii) presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of Intercompany Interests are not entitled to vote to accept or reject the Plan.

8. Class 8 – Interests in Dream II

(a) *Classification*: Class 8 consists of all Interests in Dream II.

(b) *Treatment*: On the Effective Date, all Interests in Dream II will be cancelled, released, and extinguished, and will be of no further force or effect.

(c) *Voting*: Class 8 is Impaired under the Plan. Holders of Interests in Dream II are conclusively presumed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, Holders of Interest in Dream II are not entitled to vote to accept or reject the Plan.

9. Class 9 – Section 510(b) Claims

(a) *Classification*: Class 9 consists of all Section 510(b) Claims.

(b) *Allowance*: Notwithstanding anything to the contrary herein, a Section 510(b) Claim, if any such Claim exists, may only become Allowed by Final Order of the Bankruptcy Court. The Debtors are not aware of any valid Section 510(b) Claim and believe that no such Section 510(b) Claim exists.

(c) *Treatment*: Allowed Section 510(b) Claims, if any, shall be discharged, cancelled, released, and extinguished as of the Effective Date, and will be of no further force or effect, and holders of Allowed Section 510(b) Claims will not receive any distribution on account of such Allowed Section 510(b) Claims.

(d) *Voting*: Class 9 is Impaired under the Plan. Holders (if any) of Section 510(b) Claims are conclusively deemed to have rejected the Plan under section 1126(g) of the Bankruptcy Code. Therefore, Holders (if any) of 510(b) Claims are not entitled to vote to accept or reject the Plan.

C. Special Provision Governing Unimpaired Claims

Except as otherwise provided in the Plan, nothing under the Plan shall affect the Debtors' rights in respect of any Claims that are Unimpaired, including all rights in respect of legal and equitable defenses to or setoffs or recoupments against any such Claims that are Unimpaired. Unless otherwise Allowed, Claims that are Unimpaired shall remain Disputed Claims under the Plan.

D. Confirmation Pursuant to Sections 1129(a)(10) and 1129(b) of the Bankruptcy Code

Section 1129(a)(10) of the Bankruptcy Code shall be satisfied for purposes of Confirmation by acceptance of the Plan by at least one Impaired Class of Claims. The Debtors shall seek Confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code with respect to any rejecting Class of Claims or Interests. The Debtors reserve the right to modify the Plan in accordance with Article X of the Plan to the extent, if any, that Confirmation pursuant to section 1129(b) of the Bankruptcy Code requires modification, including by modifying the treatment applicable to a Class of Claims or Interests to render such Class of Claims or Interests Unimpaired to the extent permitted by the Bankruptcy Code and the Bankruptcy Rules.

E. Subordinated Claims

Except as expressly provided herein, the allowance, classification, and treatment of all Allowed Claims and Interests and the respective distributions and treatments under the Plan take into account and conform to the relative priority and rights of the Claims and Interests in each Class in connection with any contractual, legal, and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, section 510(b) of the Bankruptcy Code, or otherwise. Pursuant to section 510 of the Bankruptcy Code, the Debtors and the Reorganized Debtors reserve the right to reclassify any Allowed Claim or Interest in accordance with any contractual, legal, or equitable subordination relating thereto.

F. Elimination of Vacant Classes; Presumed Acceptance by Non-Voting Classes

Any Class of Claims or Interests that does not have a Holder of an Allowed Claim or Allowed Interest or a Claim or Interest temporarily Allowed by the Bankruptcy Court in an amount greater than zero as of the date of the Confirmation Hearing shall be considered vacant and deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code.

If a Class contains Claims or Interests eligible to vote and no Holders of Claims or Interests eligible to vote in such Class vote to accept or reject the Plan, the Holders of such Claims or Interests in such Class shall be deemed to have accepted the Plan.

G. Intercompany Interests

To the extent Reinstated under the Plan, distributions on account of Intercompany Interests are not being received by Holders of such Intercompany Interests on account of their Intercompany Interests but for the purposes of administrative convenience, for the ultimate benefit of the Holders of the New Interests, and in exchange for the Debtors' and Reorganized Debtors' agreement under the Plan to provide management services to certain other Debtors and Reorganized Debtors, to use certain funds and assets as set forth in the Plan to make certain distributions and satisfy certain obligations of certain other Debtors and Reorganized Debtors to the Holders of certain Allowed Claims. For the avoidance of doubt, any Interest in non-Debtor subsidiaries owned by a Debtor shall continue to be owned by the applicable Reorganized Debtor.

H. Controversy Concerning Impairment

If a controversy arises as to whether any Claims or Interests, or any Class of Claims or Interests, are Impaired, the Bankruptcy Court shall, after notice and a hearing, determine such controversy on or before the Confirmation Date.

ARTICLE IV.
MEANS FOR IMPLEMENTATION OF THE PLAN

A. General Settlement of Claims and Interests

As discussed in the Disclosure Statement and as otherwise provided herein, pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and applicable, law, and in consideration for the classification, distributions, releases, and other benefits provided under the Plan, including (1) the Debtors' agreement to (A) provide an additional Vendor Support Incentive to Supporting Vendors, (B) turnover any Commercial Tort Proceeds for the benefit of the Holders of General Unsecured Claims, and (C) waive Avoidance Actions, (2) the Term Loan Lenders' agreement to (A) in the event that the Term Loan Lenders are the Winning Bidder, consent to the Debtors' funding of the GUC Reorganization Recovery Pool and the Reorganized Debtors' funding the Future Sale Consideration (as applicable), (B) in the event there is a Sale Transaction, consent to the Debtors' funding of the GUC Sale Transaction Recovery Pool, and (C) subject to the occurrence of the Effective Date, forgo any Term Loan Deficiency Claim, (3) the Sponsor's agreement to fund the Last Out Loans Turnover Amount, and (4) the Committee's agreement to (A) support and take, and refrain from taking, actions set forth in the RSA, including taking those actions necessary to obtain Bankruptcy Court approval of the Plan and Disclosure Statement, and (B) abide by the Committee Monthly Fee Cap, upon the Effective Date, the provisions of the Plan shall constitute and be deemed a good-faith compromise and settlement of all Claims, Interests, Causes of Action, and controversies released, settled, compromised, discharged, or otherwise resolved pursuant to the Plan, including (1) any challenge to the amount, validity, perfection, enforceability, priority, or extent of all Term Loan Claims, DIP Claims, and all ABL Claims (including any liens related to the foregoing), (2) any Avoidance Actions, and (3) any claims or Causes of Action against the Holders of Term Loan Claims, DIP Claims, ABL Claims, or Interests. The Plan shall be deemed a motion to approve the Plan Settlement pursuant to Bankruptcy Rule 9019, and the entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of such compromise and settlement under section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, as well as a finding by the Bankruptcy Court that such settlement and compromise is fair, equitable,

reasonable, and in the best interests of the Debtors and their Estates. Subject to Article VI hereof, all distributions made to Holders of Allowed Claims and Allowed Interests, as applicable, in any Class are intended to be and shall be final.

B. Restructuring Transactions

On the Effective Date, the applicable Debtors or the Reorganized Debtors shall enter into any transaction and shall take any actions as may be necessary or appropriate to effect a corporate restructuring of their respective businesses or a corporate restructuring of the overall corporate structure of the Debtors on the terms set forth in the Plan, including, as applicable, entry into the Exit Facilities, entry into the New Organizational Documents, consummation of the Sale Transaction in the event that the Winning Bidder is an Entity other than the Term Loan Lenders, the issuance of all securities, notes, instruments, certificates, and other documents required to be issued pursuant to the Plan, and/or the entry into one or more intercompany mergers, consolidations, amalgamations, arrangements, continuances, restructurings, conversions, dispositions, dissolutions, transfers, liquidations, spinoffs, intercompany sales, purchases, or other corporate transactions with the reasonable consent of the Term Loan Agent and the Required Term Lenders. The actions to implement the Restructuring Transactions may include: (1) the execution and delivery of appropriate agreements or other documents of merger, consolidation, amalgamation, arrangement, continuance, restructuring, conversion, disposition, dissolution, transfer, liquidation, spinoff, sale, or purchase containing terms that are consistent with the terms of the Plan and that satisfy the applicable requirements of applicable law and any other terms to which the applicable Entities may agree; (2) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any asset, property, right, liability, debt, or obligation on terms consistent with the terms of the Plan and having other terms for which the applicable Entities agree; (3) the filing of appropriate certificates or articles of incorporation, reincorporation, formation, merger, consolidation, conversion, amalgamation, arrangement, continuance, or dissolution pursuant to applicable state or provincial law; and (4) all other actions that the applicable Entities determine to be necessary or appropriate, including making filings or recordings that may be required by applicable law in connection with the Plan.

C. Reorganized Debtors

On the Effective Date, the New Board shall be established, and the Reorganized Debtors shall adopt the New Organizational Documents. The Reorganized Debtors shall be authorized to implement the Restructuring Transactions and adopt any other agreements, documents, and instruments and to take any other actions contemplated under the Plan as necessary or desirable to consummate the Plan, which actions, regardless of whether taken before, on, or after the Effective Date, shall be deemed to constitute a Restructuring Transaction.

D. Sources of Consideration for Plan Distributions

The Reorganized Debtors will fund distributions under the Plan with Cash held on the Effective Date by or for the benefit of the Debtors or Reorganized Debtors, including Cash from operations, as well as the following sources of consideration.

1. Exit Facilities

On the Effective Date, the Reorganized Debtors shall execute and deliver the Exit Facility Documents to the applicable Exit Facility Administrative Agent and such documents shall become effective in accordance with their terms. On and after the Effective Date, the Exit Facility Documents shall constitute legal, valid, and binding obligations of the Reorganized Debtors and be enforceable in accordance with their respective terms.

The Exit Facilities shall consist of the Exit ABL Facility and the Exit Term Loan Facility. On the Effective Date, the Exit Term Loan Lenders shall fund the Exit Term Loan Facility and the Exit ABL Lenders shall fund the Exit ABL Facility. If the Term Loan Lenders are the Winning Bidder, in exchange for the commitment to fund the Exit Term Loan Facility, each Exit Term Loan Lender shall receive its Pro Rata share of 40 percent of the New Interests outstanding on the Effective Date, subject to dilution for the Management Incentive Plan, and such other consideration as set forth in the Exit Facility Documents.

The terms for the Exit Facilities will be determined in accordance with the Reorganized Debtors' contemplated post-Effective Date business plan following and depending on the results of the Auction (which may contemplate the continued ownership or operation of all or only some of the Debtors' assets), and any documentation necessary to implement the Exit Facilities will be included in the Plan Supplement. The Reorganized Debtors shall use proceeds of the Exit Facilities, as applicable, to fund ongoing operations and distributions under the Plan and to satisfy other Cash obligations under the Plan.

Confirmation shall be deemed approval of the Exit Facility Documents (including the transactions and fees contemplated thereby, and all actions to be taken, undertakings to be made, and obligations and guarantees to be incurred and fees paid in connection therewith), and, to the extent not approved by the Bankruptcy Court previously, the Reorganized Debtors will be authorized to execute and deliver any and all documents necessary or appropriate to obtain and enter into the Exit ABL Facility and the Exit Term Loan Facility, including the entry into the Exit Facility Documents, without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order or rule or vote, consent, authorization, or approval of any Person, subject to such modifications as the Debtors or Reorganized Debtors, with the reasonable consent of the Exit Term Loan Lenders, may deem to be necessary to consummate the Exit ABL Facility and the Exit Term Loan Facility.

2. Issuance of the New Interests

All existing Interests in Dream II shall be automatically cancelled on the Effective Date and the Reorganized Debtors shall issue the New Interests to Entities entitled to receive the New Interests pursuant to the Plan. The issuance of the New Interests is authorized without the need for any further corporate action and without any further action by the Holders of Claims or Interests or the Debtors or the Reorganized Debtors, as applicable. The New Organizational Documents, as applicable, shall authorize the issuance and distribution on the Effective Date of the New Interests to the Disbursing Agent for the benefit of Entities entitled to receive the New Interests pursuant to the Plan. All of the New Interests issued under the Plan shall be duly authorized, validly issued, fully paid, and non-assessable. Each distribution and issuance of the New Interests under the Plan shall be governed by the terms and conditions set forth in the Plan applicable to such distribution or issuance and by the terms and conditions of the instruments evidencing or relating to such distribution or issuance, which terms and conditions shall bind each Entity receiving such distribution or issuance. Any Entity's acceptance of New Interests shall be deemed as its agreement to the New Organizational Documents, as the same be amended or modified from time to time following the Effective Date in accordance with their terms. The New Interests will not be registered on any exchange as of the Effective Date.

3. Last Out Loans Turnover

The Sponsor shall cause to be delivered the Last Out Loans Turnover Amount to fund recoveries for the Holders of General Unsecured Claims. In a Sale Transaction, the Last Out Loans Turnover Amount shall be funded solely from the Cash proceeds, if any, received by the Sponsor on account of the Last Out DIP Loan Claims. If the Term Loan Lenders are the Winning Bidder and the Last Out DIP Loans are rolled into the Exit ABL Facility, the Sponsor (or its affiliated Entities) will fund the Last Out Loans Turnover Amount solely from the Cash proceeds it ultimately receives on account of the Last Out DIP Loans that have been converted into such Exit ABL Facility (in either case solely through a future pay down of such loans or from future proceeds the Sponsor (or its affiliated Entities) receives in the event of a sale of all or a portion of such loans following the Effective Date).

E. Sale Transaction

Continuing after the Petition Date, the Debtors will conduct a marketing and Auction process of some or all of the Debtors' assets in accordance with the Bidding Procedures to determine the Winning Bidder. The Bidding Procedures will set forth the terms of an Initial Minimum Overbid, will provide that all bids for the ABL Priority Collateral must be in cash unless otherwise agreed by the DIP ABL Agent (with respect to the ABL Priority Collateral), and will provide that any bids placed by any of the DIP Agents or the Prepetition Agents must be in accordance with the DIP Intercreditor Agreement. The Debtors will seek to elicit a higher or better Sale Transaction offer, if any, pursuant to the process set forth in the Bidding Procedures. If no Entity submits an Initial Minimum Overbid, the Term Loan Lenders will be deemed the Winning Bidder for purposes of the Plan, and the Debtors will seek Confirmation of the Plan as contemplated herein. If the Debtors are able to secure a higher or otherwise better offer in accordance with the Bidding Procedures, and the Winning Bidder is an Entity other than the Term Loan

Lenders, Holders of Term Loan Claims will be paid the Term Loan Distributable Cash as set forth in Article III of the Plan and the Sale Transaction will be consummated pursuant to the Plan in accordance with terms to be set forth in the Confirmation Order and Plan Supplement, as applicable. If the Debtors are unable to secure such higher or otherwise better offer at the conclusion of the marketing and Auction process contemplated by the Bidding Procedures, the Term Loan Lenders will be deemed to be the Winning Bidder for purposes of the Plan, and the Debtors will seek Confirmation of the Plan as contemplated herein.

F. Term Loan Deficiency Claim Waiver

The Holders of Term Loan Deficiency Claims shall not receive any distribution on account of such Claims and, subject to the occurrence of the Effective Date, such Term Loan Deficiency Claims shall be deemed waived.

G. Avoidance Actions Waiver

The Debtors and the Reorganized Debtors waive all Avoidance Actions.

H. Corporate Existence

Except as otherwise provided in the Plan, on and after the Effective Date, each Debtor shall continue to exist as a Reorganized Debtors and as a separate corporation, limited liability company, partnership, or other form of entity, as the case may be, with all the powers of a corporation, limited liability company, partnership, or other form of entity, as the case may be, pursuant to the applicable law in the jurisdiction in which each applicable Debtor is incorporated or formed and pursuant to the respective certificate of incorporation and bylaws (or other similar formation and governance documents) in effect prior to the Effective Date, except to the extent such certificate of incorporation and bylaws (or other similar formation and governance documents) are amended under the Plan or otherwise, and to the extent such documents are amended, such documents are deemed to be amended pursuant to the Plan and require no further action or approval (other than any requisite filings required under applicable state, provincial, or federal law).

I. Vesting of Assets in the Reorganized Debtors

Except as otherwise provided in the Plan or any agreement, instrument, or other document incorporated in the Plan, on the Effective Date, all property in each Estate (including Interests held by the Debtors in non-Debtor subsidiaries), all Causes of Action (other than Avoidance Actions), all Executory Contracts and Unexpired Leases assumed by any of the Debtors, and any property acquired by any of the Debtors pursuant to the Plan shall vest in each respective Reorganized Debtor, free and clear of all Liens, Claims, charges, or other encumbrances. On and after the Effective Date, except as otherwise provided in the Plan, each Reorganized Debtor may operate its business and may use, acquire, or dispose of property and compromise or settle any Claims, Interests, or Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

J. Cancellation of Existing Securities and Agreements

On the Effective Date, except as otherwise specifically provided for in the Plan: (1) the obligations of the Debtors under the ABL Credit Agreement, the Term Loan Credit Agreement, and any other certificate, Security, share, note, bond, indenture, purchase right, option, warrant, or other instrument or document directly or indirectly evidencing or creating any indebtedness or obligation of or ownership interest in the Debtors or giving rise to any Claim or Interest (except such certificates, notes, or other instruments or documents evidencing indebtedness or obligation of or ownership interest in the Debtors that are Reinstated pursuant to the Plan) shall be cancelled solely as to the Debtors and their Affiliates, and the Reorganized Debtors shall not have any continuing obligations thereunder; and (2) the obligations of the Debtors and their Affiliates pursuant, relating, or pertaining to any agreements, indentures, certificates of designation, bylaws, or certificate or articles of incorporation or similar documents governing the shares, certificates, notes, bonds, indentures, purchase rights, options, warrants, or other instruments or documents evidencing or creating any indebtedness or obligation of or ownership interest in the Debtors (except such agreements, certificates, notes, or other instruments evidencing indebtedness or obligation of or ownership interest in the Debtors that are specifically Reinstated pursuant to the Plan) shall be released and discharged. Notwithstanding

the foregoing, no executory contract or unexpired lease (i) that has been, or will be, assumed pursuant to section 365 of the Bankruptcy Code or (ii) relating to a Claim that was paid in full prior to the Effective Date, shall be terminated or cancelled on the Effective Date, except that (a) the ABL Credit Agreement and Term Loan Credit Agreement shall continue in effect solely for the purpose of (I) allowing Holders of the ABL Claims and Term Loan Claims, as applicable, to receive the distributions provided for under the Plan, (II) allowing the ABL Agent and Term Loan Agent to receive or direct distributions from the Debtors and to make further distributions to the Holders of such Claims on account of such Claims, as set forth in Article VI.A of the Plan, and (III) preserving the ABL Agent's and Term Loan Agent's right to indemnification pursuant and subject to the terms of the ABL Credit Agreement and Term Loan Credit Agreement in respect of any Claim or Cause of Action asserted against the ABL Agent or Term Loan Agent, as applicable, *provided* that any Claim or right to payment on account of such indemnification shall be an Administrative Claim, and (b) the foregoing shall not affect the cancellation of shares issued pursuant to the Plan nor Intercompany Interests, which shall be treated as set forth in Article III.B.8.

K. Corporate Action

Upon the Effective Date, all actions contemplated under the Plan, regardless of whether taken before, on, or after the Effective Date, shall be deemed authorized and approved in all respects, including: (1) selection of the directors and officers for the Reorganized Debtors, if applicable; (2) the issuance of the New Interests, if applicable; (3) implementation of the Restructuring Transactions, if applicable; (4) consummation of the Sale Transaction, if applicable; (5) execution of the Exit ABL Credit Agreement, Exit Term Loan Credit Agreement, and any and all other agreements, documents, securities, and instruments relating thereto, if applicable; (6) the entry into the Payoff Letter with respect to the DIP ABL Claims; and (7) all other actions contemplated under the Plan (whether to occur before, on, or after the Effective Date). All matters provided for in the Plan or deemed necessary or desirable by the Debtors before, on, or after the Effective Date involving the corporate structure of the Debtors or the Reorganized Debtors, and any corporate action required by the Debtors or the Reorganized Debtors in connection with the Plan or corporate structure of the Debtors or Reorganized Debtors shall be deemed to have occurred and shall be in effect on the Effective Date, without any requirement of further action by the security holders, directors, managers, or officers of the Debtors or the Reorganized Debtors. Before, on, or after the Effective Date, the appropriate officers of the Debtors or the Reorganized Debtors, as applicable, shall be authorized to issue, execute, and deliver the agreements, documents, securities, and instruments contemplated under the Plan (or necessary or desirable to effect the transactions contemplated under the Plan) in the name of and on behalf of the Reorganized Debtors, to the extent not previously authorized by the Bankruptcy Court. The authorizations and approvals contemplated by this Article IV.I shall be effective notwithstanding any requirements under non-bankruptcy law.

L. New Organizational Documents

On or immediately prior to the Effective Date, the New Organizational Documents shall be amended as necessary to effectuate the transactions contemplated by the Plan in a manner reasonably acceptable to the Term Loan Agent and the Required Term Lenders. Each of the Reorganized Debtors will file its New Organizational Documents with the applicable Secretaries of State and/or other applicable authorities in its respective state, province, or country of incorporation in accordance with the corporate laws of the respective state, province, or country of incorporation. The New Organizational Documents will prohibit the issuance of non-voting equity securities, to the extent required under section 1123(a)(6) of the Bankruptcy Code.

M. Directors, Managers, and Officers of the Reorganized Debtors

As of the Effective Date, the term of the current members of the board of managers of the Debtors shall expire, and the initial boards of directors, including the New Board, and the officers of each of the Reorganized Debtors shall be appointed in accordance with the respective New Organizational Documents. Pursuant to section 1129(a)(5) of the Bankruptcy Code, the Debtors will disclose in advance of the Confirmation Hearing the identity and affiliations of any Person proposed to serve on the initial board of directors or be an officer of any of the Reorganized Debtors. To the extent any such director or officer of the Reorganized Debtors is an "insider" under the Bankruptcy Code, the Debtors also will disclose the nature of any compensation to be paid to such director or officer. Each such director and officer shall serve from and after the Effective Date pursuant to the terms of the New Organizational Documents and other constituent documents of the Reorganized Debtors.

N. Effectuating Documents; Further Transactions

On and after the Effective Date, the Reorganized Debtors, and the officers and members of the boards of directors or managers thereof, are authorized to and may issue, execute, deliver, file, or record such contracts, Securities, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of the Plan, the Restructuring Transactions, and the Securities issued pursuant to the Plan in the name of and on behalf of the Reorganized Debtors, without the need for any approvals, authorization, or consents except for those expressly required pursuant to the Plan.

O. Exemption from Securities Act Registration

Pursuant to section 1145 of the Bankruptcy Code and, to the extent that section 1145 of the Bankruptcy Code is inapplicable, section 4(a)(2) of the Securities Act, the issuance of the New Interests as contemplated by the Plan is exempt from, among other things, the registration requirements of section 5 of the Securities Act and any other applicable United States, state, or local law requiring registration for offer or sale of a security or registration or licensing of an issuer of, underwriter of, or broker or dealer in, a security. As long as the exemption to registration under section 1145 of the Bankruptcy Code is applicable, the New Interests are not "restricted securities" (as defined in rule 144(a)(3) under the Securities Act) and are freely tradable and transferable by any initial recipient thereof that (1) is not an "affiliate" of the Reorganized Debtors (as defined in rule 144(a)(1) under the Securities Act), (2) has not been such an "affiliate" within 90 days of such transfer, and (3) is not an entity that is an "underwriter" as defined in section 1145(b) of the Bankruptcy Code.

P. Exemption from Certain Taxes and Fees

To the fullest extent permitted by section 1146(a) of the Bankruptcy Code and applicable law, any transfers (whether from a Debtor to a Reorganized Debtor or to any other Person) of property under the Plan or pursuant to (1) the issuance, distribution, transfer, or exchange of any debt, equity security, or other interest in the Debtors or the Reorganized Debtors, (2) the Restructuring Transactions, (3) the creation, modification, consolidation, termination, refinancing, and/or recording of any mortgage, deed of trust, or other security interest, or the securing of additional indebtedness by such or other means, (4) the making, assignment, or recording of any lease or sublease, (5) the grant of collateral as security for any or all of the Exit Facilities, as applicable, or (6) the making, delivery, or recording of any deed or other instrument of transfer under, in furtherance of, or in connection with, the Plan, including any deeds, bills of sale, assignments, or other instrument of transfer executed in connection with any transaction arising out of, contemplated by, or in any way related to the Plan (including the Sale Transaction, if applicable), shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, sale or use tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, regulatory filing or recording fee, or other similar tax or governmental assessment, and upon entry of the Confirmation Order, the appropriate state or local governmental officials or agents shall forgo the collection of any such tax or governmental assessment and accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax, recordation fee, or governmental assessment. All filing or recording officers (or any other Person with authority over any of the foregoing), wherever located and by whomever appointed, shall comply with the requirements of section 1146(c) of the Bankruptcy Code, shall forgo the collection of any such tax or governmental assessment, and shall accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

Q. Preservation of Causes of Action

In accordance with section 1123(b) of the Bankruptcy Code, but subject in all respects to this Article IV and Article VIII hereof, the Reorganized Debtors shall retain and may enforce all rights to commence and pursue, as appropriate, any and all Causes of Action, whether arising before or after the Petition Date, including any actions specifically enumerated in the Schedule of Retained Causes of Action and notwithstanding the rejection of any Executory Contract or Unexpired Lease during the Chapter 11 Cases or pursuant to the Plan, and the Reorganized Debtors' rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date, other than Avoidance Actions and the Causes of Action released by the Debtors pursuant to the releases and exculpations contained in the Plan, including in Article VIII, which shall be deemed released and waived by the Debtors and Reorganized Debtors as of the Effective Date; *provided* that Commercial Tort

Claims shall be preserved for the sole benefit of the Holders of General Unsecured Claims and only the Plan Administrator shall have an obligation to commence, prosecute, or settle such Commercial Tort Claims, if any.

The Reorganized Debtors may pursue such Causes of Action, as appropriate, in accordance with the best interests of the Reorganized Debtors. The applicable Reorganized Debtors, through their authorized agents or representatives, shall retain and may exclusively enforce any and all such Causes of Action. The Reorganized Debtors shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Causes of Action and to decline to do any of the foregoing without the consent or approval of any third party or further notice to or action, order, or approval of the Bankruptcy Court.

No Entity may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Cause of Action against it as any indication that the Debtors or the Reorganized Debtors, as applicable, will not pursue any and all available Causes of Action against it, except as otherwise expressly provided in the Plan, including this Article IV and Article VIII of the Plan. The Debtors or the Reorganized Debtors, as applicable, expressly reserve all rights to prosecute any and all Causes of Action against any Entity, except as otherwise expressly provided in the Plan, including this Article IV and Article VIII of the Plan. Unless any Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan or a Final Order, the Reorganized Debtors expressly reserve all Causes of Action, for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise), or laches, shall apply to such Causes of Action upon, after, or as a consequence of the Confirmation or Consummation.

ARTICLE V.
TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Assumption and Rejection of Executory Contracts and Unexpired Leases

On the Effective Date, except as otherwise provided herein, each Executory Contract or Unexpired Lease not previously assumed, assumed and assigned, or rejected shall be deemed automatically assumed by the applicable Reorganized Debtor in accordance with the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code, other than those that: (1) are identified on the Rejected Executory Contracts and Unexpired Leases Schedule; (2) previously expired or terminated pursuant to its own terms; (3) have been previously assumed or rejected by the Debtors pursuant to a Bankruptcy Court order; (4) are the subject of a motion to reject Executory Contracts or Unexpired Leases that is pending on the Effective Date; or (5) are subject to a motion to reject an Executory Contract or Unexpired Lease pursuant to which the requested effective date of such rejection is after the Effective Date.

Entry of the Confirmation Order shall constitute an order of the Bankruptcy Court approving, subject to and upon the occurrence of the Effective Date, the assumptions, assumptions and assignments, or rejections of the Executory Contracts and Unexpired Leases assumed or rejected pursuant to the Plan. Any motions to assume Executory Contracts or Unexpired Leases pending on the Effective Date shall be subject to approval by the Bankruptcy Court on or after the Effective Date by a Final Order but may be withdrawn, settled, or otherwise prosecuted by the Reorganized Debtors. Each Executory Contract and Unexpired Lease assumed pursuant to this Article V.A of the Plan or by any order of the Bankruptcy Court, which has not been assigned to a third party prior to the Effective Date, shall revest in and be fully enforceable by the Reorganized Debtors in accordance with its terms, except as such terms are modified by the provisions of the Plan or any order of the Bankruptcy Court authorizing and providing for its assumption under applicable federal law.

To the maximum extent permitted by law, to the extent any provision in any Executory Contract or Unexpired Lease assumed or assumed and assigned pursuant to the Plan restricts or prevents, or purports to restrict or prevent, or is breached or deemed breached by, the assumption or assumption and assignment of such Executory Contract or Unexpired Lease (including any "change of control" provision), then such provision shall be deemed modified such that the transactions contemplated by the Plan shall not entitle the non-Debtor party thereto to terminate such Executory Contract or Unexpired Lease or to exercise any other default-related rights with respect thereto.

B. Claims Based on Rejection of Executory Contracts or Unexpired Leases

Unless otherwise provided by a Final Order of the Bankruptcy Court, all Proofs of Claim with respect to Claims arising from the rejection of Executory Contracts or Unexpired Leases pursuant to the Plan or the Confirmation Order, if any, must be Filed with the Bankruptcy Court within 30 days after the later of (1) the date of entry of an order of the Bankruptcy Court (including the Confirmation Order) approving such rejection, (2) the effective date of such rejection, or (3) the Effective Date. **Any Claims arising from the rejection of an Executory Contract or Unexpired Lease not Filed with the Bankruptcy Court within such time will be automatically disallowed, forever barred from assertion, and shall not be enforceable against the Debtors, the Reorganized Debtors, the Estates, or their property of any of the foregoing parties without the need for any objection by the Reorganized Debtors or further notice to, or action, order, or approval of the Bankruptcy Court or any other Entity, and any Claim arising out of the rejection of the Executory Contract or Unexpired Lease shall be deemed fully satisfied, released, and discharged, notwithstanding anything in the Schedules or a Proof of Claim to the contrary.** Claims arising from the rejection of the Debtors' Executory Contracts or Unexpired Leases shall be classified as General Unsecured Claims and shall be treated in accordance with Article III.B and may be objected to in accordance with the provisions of Article VII of the Plan and the applicable provisions of the Bankruptcy Code and Bankruptcy Rules.

C. Cure of Defaults for Assumed Executory Contracts and Unexpired Leases

Any monetary defaults under each Executory Contract and Unexpired Lease to be assumed pursuant to the Plan shall be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, by payment of the default amount in Cash on the Effective Date or as soon as reasonably practicable thereafter, subject to the limitation described below, or on such other terms as the parties to such Executory Contracts or Unexpired Leases may otherwise agree. In the event of a dispute regarding (1) the amount of any payments to cure such a default, (2) the ability of the Reorganized Debtors or any assignee to provide "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code) under the Executory Contract or Unexpired Lease to be assumed, or (3) any other matter pertaining to assumption, the cure payments required by section 365(b)(1) of the Bankruptcy Code shall be made following the entry of a Final Order or orders resolving the dispute and approving the assumption. At least 21 days prior to the Confirmation Hearing, the Debtors shall provide for notices of proposed assumption and proposed cure amounts to be sent to applicable third parties and for procedures for objecting thereto and resolution of disputes by the Bankruptcy Court. Any objection by a counterparty to an Executory Contract or Unexpired Lease to a proposed assumption or related cure amount must be Filed, served, and actually received by the Debtors at least seven days prior to the Confirmation Hearing. Any counterparty to an Executory Contract or Unexpired Lease that fails to object timely to the proposed assumption or cure amount will be deemed to have assented to such assumption or cure amount.

Assumption of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall result in the full release and satisfaction of any Claims or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any assumed Executory Contract or Unexpired Lease at any time prior to the effective date of assumption. **Any Proofs of Claim Filed with respect to an Executory Contract or Unexpired Lease that has been assumed shall be deemed disallowed and expunged, without further notice to or action, order, or approval of the Bankruptcy Court.**

D. Preexisting Obligations to the Debtors under Executory Contracts and Unexpired Leases

Rejection of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall not constitute a termination of preexisting obligations owed to the Debtors or the Reorganized Debtors, as applicable, under such Executory Contracts or Unexpired Leases. In particular, notwithstanding any non-bankruptcy law to the contrary, the Reorganized Debtors expressly reserve and do not waive any right to receive, or any continuing obligation of a counterparty to provide, warranties or continued maintenance obligations on goods previously purchased by the Debtors contracting from non-Debtor counterparties to rejected Executory Contracts or Unexpired Leases.

E. Insurance Policies and Surety Bonds

Each of the Debtors' insurance policies and any agreements, documents, or instruments relating thereto, are treated as Executory Contracts under the Plan. Unless otherwise provided in the Plan, on the Effective Date, the Debtors shall be deemed to have assumed all insurance policies and any agreements, documents, and instruments relating to coverage of all insured Claims. Except as set forth in Article V.F of the Plan, nothing in this Plan, the Plan Supplement, the Disclosure Statement, the Confirmation Order, or any other order of the Bankruptcy Court (including any other provision that purports to be preemptory or supervening), (1) alters, modifies, or otherwise amends the terms and conditions of (or the coverage provided by) any of such insurance policies or (2) alters or modifies the duty, if any, that the insurers or third party administrators pay claims covered by such insurance policies and their right to seek payment or reimbursement from the Debtors (or after the Effective Date, the Reorganized Debtors) or draw on any collateral or security therefor. For the avoidance of doubt, insurers and third party administrators shall not need to nor be required to file or serve a cure objection or a request, application, claim, Proof of Claim, or motion for payment and shall not be subject to any claims bar date or similar deadline governing cure amounts or Claims.

Notwithstanding any other provision of the Plan, on the Effective Date, (1) all of the Debtors' obligations and commitments to any surety bond providers shall be deemed reaffirmed by the Reorganized Debtors, (2) surety bonds and related indemnification and collateral agreements entered into by any Debtor will be vested and performed by the applicable Reorganized Debtor and will survive and remain unaffected by entry of the Confirmation Order, and (3) the Reorganized Debtors shall be authorized to enter into new surety bond agreements and related indemnification and collateral agreements, or to modify any such existing agreements, in the ordinary course of business. The applicable Reorganized Debtors will continue to pay all premiums and other amounts due, including loss adjustment expenses, on the existing surety bonds as they become due prior to the execution and issuance of new surety bonds. Surety bond providers shall have the discretion to replace (or issue name-change riders with respect to) any existing surety bonds or related general agreements of indemnity with new surety bonds and related general agreements of indemnity on the same terms and conditions provided in the applicable existing surety bonds or related general agreements of indemnity.

F. Director, Officer, Manager, and Employee Liability Insurance

On or before the Effective Date, the Debtors, on behalf of the Reorganized Debtors, shall be authorized to and shall purchase and maintain directors, officers, managers, and employee liability tail coverage for the six-year period following the Effective Date for the benefit of the Debtors' current and former directors, managers, officers, and employees on terms no less favorable to such persons than their existing coverage under the D&O Liability Insurance Policies with available aggregate limits of liability upon the Effective Date of no less than the aggregate limit of liability under the existing D&O Liability Insurance Policies.

After the Effective Date, none of the Debtors or the Reorganized Debtors shall terminate or otherwise reduce the coverage under any such policies (including, if applicable, any "tail policy") with respect to conduct occurring on or prior to the Effective Date, and all officers, directors, managers, and employees of the Debtors who served in such capacity at any time before the Effective Date shall be entitled to the full benefits of any such policy for the full six-year term of such policy regardless of whether such officers, directors, managers, or employees remain in such positions after the Effective Date.

On and after the Effective Date, each of the Reorganized Debtors shall be authorized to purchase a directors' and officers' liability insurance policy for the benefit of their respective directors, members, trustees, officers, and managers in the ordinary course of business.

G. Indemnification Obligations

On and as of the Effective Date, the Indemnification Provisions will be assumed and irrevocable and will survive the effectiveness of the Plan, and the Reorganized Debtors' governance documents will provide for the indemnification, defense, reimbursement, exculpation, and/or limitation of liability of, and advancement of fees and expenses to the Debtors' and the Reorganized Debtors' current and former directors, officers, employees, and agents to the fullest extent permitted by law and at least to the same extent as the organizational documents of each of the respective Debtors on the Petition Date, against any claims or Causes of Action whether direct or derivative, liquidated

or unliquidated, fixed or contingent, disputed or undisputed, matured or unmatured, known or unknown, foreseen or unforeseen, asserted or unasserted. None of the Reorganized Debtors will amend and/or restate their respective governance documents before or after the Effective Date to terminate or adversely affect any of the Reorganized Debtors' obligations to provide such indemnification rights or such directors,' officers,' employees,' or agents' indemnification right.

On and as of the Effective Date, any of the Debtors' indemnification obligations with respect to any contract or agreement that is the subject of or related to any litigation against the Debtors or Reorganized Debtors, as applicable, shall be assumed by the Reorganized Debtors and otherwise remain unaffected by the Chapter 11 Cases.

H. Employee and Retiree Benefits

Unless otherwise provided herein, all employee wages, compensation, and benefit programs in place as of the Effective Date with the Debtors shall be assumed by the Reorganized Debtors and shall remain in place as of the Effective Date and, without limiting any authority provided to the board of directors or managers or members of the Reorganized Debtors under the Reorganized Debtors' respective formation and constituent documents, the Reorganized Debtors will continue to honor such agreements, arrangements, programs, and plans in the ordinary course of business. Notwithstanding the foregoing, pursuant to section 1129(a)(13) of the Bankruptcy Code, from and after the Effective Date, all retiree benefits (as such term is defined in section 1114 of the Bankruptcy Code), if any, shall continue to be paid in accordance with applicable law.

I. Collective Bargaining Agreements

The Collective Bargaining Agreements and any agreements, documents, or instruments relating thereto, is treated as and deemed to be an Executory Contract under the Plan. On the Effective Date, the Debtors shall be deemed to have assumed the Collective Bargaining Agreements and any agreements, documents, and instruments related thereto. All Proofs of Claim Filed for amounts due under the Collective Bargaining Agreements shall be considered satisfied by the agreement and obligation to assume and cure in the ordinary course as provided herein. On the Effective Date, any Proofs of Claim Filed with respect to the Collective Bargaining Agreements shall be deemed disallowed and expunged, without further notice to or action, order, or approval of the Bankruptcy Court.

J. Workers Compensation Program

As of the Effective Date, the Reorganized Debtors shall continue to honor their obligations under (1) all applicable workers' compensation laws in states in which the Reorganized Debtors operate, and (2) the Debtors' (a) written contracts, agreements, and agreements of indemnity, in each case relating to workers' compensation, (b) self-insurer workers' compensation bonds, policies, programs, and plans for workers' compensation, and (c) workers' compensation insurance. All Proofs of Claims on account of workers' compensation shall be deemed withdrawn automatically and without any further notice to or action, order, or approval of the Bankruptcy Court; *provided*, *however*, that nothing in the Plan shall limit, diminish, or otherwise alter the Debtors' or Reorganized Debtors' defenses, Causes of Action, or other rights under applicable non-bankruptcy law with respect to any such contracts, agreements, policies, programs and plans.

K. Modifications, Amendments, Supplements, Restatements, or Other Agreements

Unless otherwise provided in the Plan, each Executory Contract or Unexpired Lease that is assumed shall include all modifications, amendments, supplements, restatements, or other agreements that in any manner affect such Executory Contract or Unexpired Lease, and Executory Contracts and Unexpired Leases related thereto, if any, including easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal and any other interests, unless any of the foregoing agreements has been previously rejected or repudiated or is rejected or repudiated under the Plan.

Modifications, amendments, supplements, and restatements to prepetition Executory Contracts and Unexpired Leases that have been executed by the Debtors during the Chapter 11 Cases shall not be deemed to alter

the prepetition nature of the Executory Contract or Unexpired Lease, or the validity, priority, or amount of any Claims that may arise in connection therewith.

L. Reservation of Rights

Neither the exclusion nor inclusion of any Executory Contract or Unexpired Lease on the Schedule of Assumed Executory Contracts and Unexpired Leases or the Schedule of Rejected Executory Contracts and Unexpired Leases, nor anything contained in the Plan, shall constitute an admission by the Debtors that any such contract or lease is in fact an Executory Contract or Unexpired Lease or that any of the Reorganized Debtors has any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory at the time of assumption or rejection, the Debtors or the Reorganized Debtors, as applicable, shall have 30 days following entry of a Final Order resolving such dispute to alter its treatment of such contract or lease under the Plan.

M. Nonoccurrence of Effective Date

In the event that the Effective Date does not occur, the Bankruptcy Court shall retain jurisdiction with respect to any request to extend the deadline for assuming or rejecting Unexpired Leases pursuant to section 365(d)(4) of the Bankruptcy Code.

N. Contracts and Leases Entered Into After the Petition Date

Contracts and leases entered into after the Petition Date by any Debtor, including any Executory Contracts and Unexpired Leases assumed by such Debtor, will be performed by the applicable Debtor or the Reorganized Debtors liable thereunder in the ordinary course of their business. Accordingly, such contracts and leases (including any assumed Executory Contracts and Unexpired Leases) will survive and remain unaffected by entry of the Confirmation Order.

ARTICLE VI.
PROVISIONS GOVERNING DISTRIBUTIONS

A. Timing and Calculation of Amounts to Be Distributed

Unless otherwise provided in the Plan, on the Initial Distribution Date (or if a Claim is not an Allowed Claim or Allowed Interest on the Initial Distribution Date, on the next Quarterly Distribution Date after such Claim or Interest becomes an Allowed Claim or Allowed Interest, or as soon as reasonably practicable thereafter), or as soon as is reasonably practicable thereafter, each Holder of an Allowed Claim or Allowed Interests (as applicable) shall receive the full amount of the distributions that the Plan provides for Allowed Claims or Allowed Interests (as applicable) in the applicable Class. In the event that any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date. If and to the extent that there are Disputed Claims or Disputed Interests, distributions on account of any such Disputed Claims or Disputed Interests shall be made pursuant to the provisions set forth in Article VII hereof. Except as otherwise provided in the Plan, Holders of Claims or Interests shall not be entitled to interest, dividends, or accruals on the distributions provided for in the Plan, regardless of whether such distributions are delivered on or at any time after the Effective Date.

B. Distributions on Account of Obligations of Multiple Debtors

For all purposes associated with distributions under the Plan, all guarantees by any Debtor of the obligations of any other Debtor, as well as any joint and several liability of any Debtor with respect to any other Debtor, shall be deemed eliminated so that any obligation that could otherwise be asserted against more than one Debtor shall result in a single distribution under the Plan, *provided* that Claims held by a single entity at different Debtors that are not based on guarantees or joint and several liability shall be entitled to the applicable distribution for such Claim at each applicable Debtor. Any such Claims shall be released and discharged pursuant to Article VIII of the Plan and shall be subject to all potential objections, defenses, and counterclaims, and to estimation pursuant to section 502(c) of the

Bankruptcy Code. For the avoidance of doubt, this shall not affect the obligation of each and every Debtor to pay fees payable pursuant to section 1930(a) of the Judicial Code until such time as a particular Chapter 11 Case is closed, dismissed, or converted, whichever occurs first.

C. Disbursing Agent

Except as otherwise provided herein, distributions under the Plan shall be made by the Disbursing Agent. The Disbursing Agent shall not be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court. Additionally, in the event that the Disbursing Agent is so otherwise ordered, all costs and expenses of procuring any such bond or surety shall be borne by the Reorganized Debtors.

D. Rights and Powers of Disbursing Agent

1. Powers of the Disbursing Agent

The Disbursing Agent shall be empowered to: (a) effect all actions and execute all agreements, instruments, and other documents necessary to perform its duties under the Plan; (b) make all distributions contemplated hereby; (c) employ professionals to represent it with respect to its responsibilities; and (d) exercise such other powers as may be vested in the Disbursing Agent by order of the Bankruptcy Court, pursuant to the Plan, or as deemed by the Disbursing Agent to be necessary and proper to implement the provisions hereof.

2. Expenses Incurred On or After the Effective Date

Except as otherwise ordered by the Bankruptcy Court, the amount of any reasonable fees and out-of-pocket expenses incurred by the Disbursing Agent on or after the Effective Date (including taxes) and any reasonable compensation and out-of-pocket expense reimbursement claims (including reasonable attorney fees and expenses) made by the Disbursing Agent shall be paid in Cash by the Reorganized Debtors.

E. Delivery of Distributions and Undeliverable or Unclaimed Distributions

1. Record Date for Distribution.

On the Distribution Record Date, the Claims Register shall be closed and any party responsible for making distributions shall instead be authorized and entitled to recognize only those record Holders listed on the Claims Register as of the close of business on the Distribution Record Date.

2. Delivery of Distributions

(a) Initial Distribution Date

Except as otherwise provided herein, on the Initial Distribution Date, the Disbursing Agent shall make distributions to holders of Allowed Claims and Interests as of the Distribution Record Date at the address for each such Holder as indicated on the Debtors' books and records or the register or related document maintained by, as applicable, the DIP Agents, the ABL Agent, or the Term Loan Agent as of the date of any such distribution; *provided* that the manner of such distributions shall be determined at the discretion of the Disbursing Agent; *provided*, *further*, that the address for each Holder of an Allowed Claim or Interest shall be deemed to be the address set forth in, as applicable, any Proof of Claim or Proof of Interest Filed by such Holder, or, if no Proof of Claim or Proof of Interest has been Filed, the address set forth in the Schedules. If a Holder holds more than one Claim in any one Class, all Claims of the Holder may be aggregated into one Claim and one distribution may be made with respect to the aggregated Claim.

(b) Quarterly Distribution Date

Except as otherwise determined by the Reorganized Debtors in their sole discretion, on each Quarterly Distribution Date or as soon thereafter as is reasonably practicable, the Disbursing Agent shall make the distributions required to be made on account of Allowed Claims and Interests under the Plan on such date. Any distribution that is not made on the Initial Distribution Date or on any other date specified herein because the Claim that would have been entitled to receive that distribution is not an Allowed Claim or Interest on such date, shall be distributed on the first Quarterly Distribution Date after such Claim or Interest is Allowed. No interest shall accrue or be paid on the unpaid amount of any distribution paid on a Quarterly Distribution Date in accordance with Article VI.I of the Plan.

(c) Distributions to Holders of Term Loan Claims

Except as set forth in this Article VI.E.2(c), the Term Loan Agent shall be deemed to be the Holder of all Term Loan Claims for purposes of distributions to be made hereunder, and all distributions on account of such Term Loan Claims shall be made to or on behalf of the Term Loan Agent. The Term Loan Agent shall hold or direct such distributions for the benefit of the Holders of Term Loan Claims. As soon as practicable following compliance with the requirements set forth in this Article VI, the Term Loan Agent shall arrange to deliver or direct the delivery of such distributions for which it is the deemed Holder to or on behalf of such Holders of Allowed Term Loan Claims.

Notwithstanding anything to the contrary herein, the Term Loan Agent shall be entitled to maintain a record of Holders of Term Loan Claims in the ordinary course of business and shall be entitled without regard to the general occurrence of the Distribution Record Date, to make distributions that it receives under the Plan to Holders of Term Loan Claims based upon its books and records. The Term Loan Agent shall not be held liable to any person with respect to distributions made or directed to be made by the Term Loan Agent except for liability arising from gross negligence, willful misconduct, or actual fraud of the Term Loan Agent.

3. Minimum Distributions

Notwithstanding any other provision of the Plan, the Disbursing Agent will not be required to make distributions of Cash less than $100 in value (whether cash or otherwise), and each such Claim to which this limitation applies shall be discharged pursuant to Article VIII and its Holder is forever barred pursuant to Article VIII from asserting such Claim against the Debtors, the Reorganized Debtors, or their property.

4. No Fractional Shares

No fractional shares or units of the New Interests shall be distributed and no Cash shall be distributed in lieu of such fractional amounts. When any distribution pursuant to the Plan on account of an Allowed Claim or Allowed Interest, as applicable, would otherwise result in the issuance of a number of shares or units of the New Interests that is not a whole number, the actual distribution of shares of the New Interests shall be rounded as follows: (a) fractions of one-half or greater shall be rounded to the next higher whole number and (b) fractions of less than one-half shall be rounded to the next lower whole number with no further payment therefore. The total number of authorized shares or units of the New Interests to be distributed pursuant to the Plan shall be adjusted as necessary to account for the foregoing rounding.

5. Undeliverable Distributions and Unclaimed Property

In the event that any distribution to any Holder is returned as undeliverable, no distribution to such Holder shall be made unless and until the Disbursing Agent has determined the then-current address of such Holder, at which time such distribution shall be made to such Holder without interest; *provided*, *however*, that such distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code at the expiration of six months from the Effective Date. After such date, all unclaimed property or interests in property shall revert to the Reorganized Debtors automatically and without need for a further order by the Bankruptcy Court (notwithstanding any applicable federal, provincial, or state escheat, abandoned, or unclaimed property laws to the contrary), and the Claim of any Holder to such property or Interest in property shall be discharged and forever barred.

A distribution shall be deemed unclaimed if a holder has not: (a) accepted a particular distribution or, in the case of distributions made by check, negotiated such check; (b) given notice to the Reorganized Debtors of an intent to accept a particular distribution; (c) responded to the Debtors' or Reorganized Debtors' requests for information necessary to facilitate a particular distribution; or (d) taken any other action necessary to facilitate such distribution.

F. Distributions on Account of Claims or Interests Allowed After the Effective Date

1. Payments and Distributions on Disputed Claims

Distributions made after the Effective Date to Holders of Disputed Claims or Interests that are not Allowed Claims or Interests as of the Effective Date, but which later become Allowed Claims or Interests, as applicable, shall be deemed to have been made on the applicable Quarterly Distribution Date after they have actually been made, unless the Reorganized Debtors and the applicable Holder of such Claim or Interest agree otherwise. No interest shall accrue or be paid on a Disputed Claim before it becomes and Allowed Claim in accordance with Article VI.I of the Plan.

2. Special Rules for Distributions to Holders of Disputed Claims

Notwithstanding any provision otherwise in the Plan and except as may be agreed to by the Reorganized Debtors, on the one hand, and the Holder of a Disputed Claim or Interest, on the other hand, no partial payments and no partial distributions shall be made with respect to any Disputed Claim or Interest until the Disputed Claim or Interest has become an Allowed Claim or Interest, as applicable, or has otherwise been resolved by settlement or Final Order; *provided* that if the Debtors do not dispute a portion of an amount asserted pursuant to an otherwise Disputed Claim, the Holder of such Disputed Claim shall be entitled to a distribution on account of that portion of such Claim, if any, that is not disputed at the time and in the manner that the Disbursing Agent makes distributions to similarly-situated holders of Allowed Claims pursuant to the Plan.

G. Compliance with Tax Requirements

In connection with the Plan, to the extent applicable, the Debtors or the Reorganized Debtors, as applicable, shall comply with all tax withholding and reporting requirements imposed on them by any Governmental Unit, and all distributions pursuant to the Plan shall be subject to such withholding and reporting requirements. Notwithstanding any provision in the Plan to the contrary, the Disbursing Agent shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including liquidating a portion of the distribution to be made under the Plan to generate sufficient funds to pay applicable withholding taxes, withholding distributions pending receipt of information necessary to facilitate such distributions, or establishing any other mechanisms they believe are reasonable and appropriate. The Debtors and Reorganized Debtors, as applicable, reserve the right to allocate all distributions made under the Plan in compliance with applicable wage garnishments, alimony, child support, and other spousal awards, liens, and encumbrances.

H. Allocations Between Principal and Accrued Interest

Distributions in respect of Allowed Claims shall be allocated first to the principal amount of such Claims (as determined for federal income tax purposes) and then, to the extent the consideration exceeds the principal amount of the Claims, to any portion of such Claims for accrued but unpaid interest.

I. No Postpetition Interest on Claims

Unless otherwise specifically provided for in the Plan or the Confirmation Order, or required by applicable bankruptcy and non-bankruptcy law, postpetition interest shall not accrue or be paid on any prepetition Claims against the Debtors, and no Holder of a prepetition Claim against the Debtors shall be entitled to interest accruing on or after the Petition Date on any such prepetition Claim.

J. Foreign Currency Exchange Rate

Except as otherwise provided in a Bankruptcy Court order, as of the Effective Date, any Claim asserted in currency other than U.S. dollars shall be automatically deemed converted to the equivalent U.S. dollar value using the exchange rate for the applicable currency as published in The Wall Street Journal, National Edition, on the Effective Date.

K. Setoffs and Recoupment

Except as expressly provided in this Plan, each Reorganized Debtor may, pursuant to section 553 of the Bankruptcy Code, set off and/or recoup against any Plan distributions to be made on account of any Allowed Claim, any and all claims, rights, and Causes of Action that such Reorganized Debtor may hold against the Holder of such Allowed Claim to the extent such setoff or recoupment is either (1) agreed in amount among the relevant Reorganized Debtor(s) and Holder of Allowed Claim or (2) otherwise adjudicated by the Bankruptcy Court or another court of competent jurisdiction; *provided*, *however*, that neither the failure to effectuate a setoff or recoupment nor the allowance of any Claim hereunder shall constitute a waiver or release by a Reorganized Debtor or its successor of any and all claims, rights, and Causes of Action that such Reorganized Debtor or its successor may possess against the applicable Holder. In no event shall any Holder of Claims against, or Interests in, the Debtors be entitled to recoup any such Claim or Interest against any claim, right, or Cause of Action of the Debtors or the Reorganized Debtors, as applicable, unless such Holder actually has performed such recoupment and provided notice thereof in writing to the Debtors in accordance with Article XII.G of the Plan on or before the Effective Date, notwithstanding any indication in any Proof of Claim or otherwise that such Holder asserts, has, or intends to preserve any right of recoupment.

Notwithstanding anything to the contrary in this Plan or the Confirmation Order, all rights of counterparties to unexpired leases of nonresidential real property (whether assumed or rejected) for setoff, recoupment, and subrogation are preserved and shall continue unaffected by Confirmation or the occurrence of the Effective Date.

L. Claims Paid or Payable by Third Parties

1. Claims Paid by Third Parties

The Debtors or the Reorganized Debtors, as applicable, shall reduce in full a Claim, and such Claim shall be disallowed without a Claim objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court, to the extent that the Holder of such Claim receives payment in full on account of such Claim from a party that is not a Debtor or the Reorganized Debtors. Subject to the last sentence of this paragraph, to the extent a Holder of a Claim receives a distribution on account of such Claim and receives payment from a party that is not a Debtor or the Reorganized Debtors on account of such Claim, such Holder shall, within two weeks of receipt thereof, repay or return the distribution to the applicable Debtor or the Reorganized Debtors, to the extent the Holder's total recovery on account of such Claim from the third party and under the Plan exceeds the amount of such Claim as of the date of any such distribution under the Plan. If the Debtors or the Reorganized Debtors, as applicable, become aware of any payment of a Claim by a third party, the Debtors or Reorganized Debtors, as applicable, will send a notice of wrongful payment to the Holder of such Claim requesting the return of any excess payments and advising the recipient of the provisions of the Plan requesting turnover of excess estate funds. The failure of such Holder to timely repay or return such distribution shall result in the Holder owing the applicable Debtor or the Reorganized Debtors annualized interest at the Federal Judgment Rate on such amount owed for each Business Day after the two-week grace period specified above until the amount is repaid.

2. Claims Payable by Third Parties

No distributions under the Plan shall be made on account of an Allowed Claim that is payable pursuant to one of the Debtors' insurance policies until the Holder of such Allowed Claim has exhausted all remedies with respect to such insurance policy. To the extent that one or more of the Debtors' insurers agrees to satisfy in full or in part a Claim (if and to the extent adjudicated by a court of competent jurisdiction), then immediately upon such insurers' agreement, the applicable portion of such Claim may be expunged without a Claims objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

3. Applicability of Insurance Policies

Except as otherwise provided in the Plan, distributions to Holders of Allowed Claims shall be in accordance with the provisions of any applicable insurance policy. Nothing contained in the Plan shall constitute or be deemed a waiver of any Cause of Action that the Debtors or any Entity may hold against any other Entity, including insurers under any policies of insurance, nor shall anything contained herein constitute or be deemed a waiver by such insurers of any defenses, including coverage defenses, held by such insurers.

ARTICLE VII.
PROCEDURES FOR RESOLVING CONTINGENT, UNLIQUIDATED, AND DISPUTED CLAIMS

A. Allowance of Claims

After the Effective Date, the Reorganized Debtors and the Plan Administrator shall have and retain any and all rights and defenses such Debtor had with respect to any Claim or Interest immediately before the Effective Date.

B. Claims Administration Responsibilities

After the Effective Date, the Plan Administrator will (a) oversee the Claim administration process and (b) administer Commercial Tort Claims and Commercial Tort Proceeds, if any, for the benefit of Holders of General Unsecured Claims. Except as otherwise specifically provided in the Plan, the Plan Administrator shall have the sole authority: (1) to File, withdraw, or litigate to judgment objections to Claims or Interests and Commercial Tort Claims; (2) to settle or compromise any Disputed Claim or Commercial Tort Claims without any further notice to or action, order, or approval by the Bankruptcy Court; and (3) to administer and adjust the Claims Register to reflect any such settlements or compromises without any further notice to or action, order, or approval by the Bankruptcy Court.

C. Plan Administrator Budget

All fees, expenses, and distributions of the Plan Administrator shall be subject to the Plan Administrator Budget. For the avoidance of doubt, the Plan Administrator's compensation and the payment of fees and expenses of any attorneys, accountants, and other professionals engaged by the Plan Administrator shall be subject to the Plan Administrator Budget.

D. Estimation of Claims

Before or after the Effective Date, the Plan Administrator and the Debtors or Reorganized Debtors, as applicable, may (but are not required to) at any time request that the Bankruptcy Court estimate any Claim that is contingent or unliquidated pursuant to section 502(c) of the Bankruptcy Code for any reason, regardless of whether any party previously has objected to such Claim or Interest or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court shall retain jurisdiction to estimate any such Claim or Interest, including during the litigation of any objection to any Claim or Interest or during the appeal relating to such objection. Notwithstanding any provision otherwise in the Plan, a Claim that has been expunged from the Claims Register, but that either is subject to appeal or has not been the subject of a Final Order, shall be deemed to be estimated at zero dollars, unless otherwise ordered by the Bankruptcy Court. In the event that the Bankruptcy Court estimates any contingent or unliquidated Claim or Interest, that estimated amount shall constitute a maximum limitation on such Claim or Interest for all purposes under the Plan (including for purposes of distributions), and the relevant Reorganized Debtor may elect to pursue any supplemental proceedings to object to any ultimate distribution on such Claim or Interest. Notwithstanding section 502(j) of the Bankruptcy Code, in no event shall any holder of a Claim that has been estimated pursuant to section 502(c) of the Bankruptcy Code or otherwise be entitled to seek reconsideration of such estimation unless such holder has Filed a motion requesting the right to seek such reconsideration on or before fourteen days after the date on which such Claim is estimated. All of the aforementioned Claims and objection, estimation, and resolution procedures are cumulative and not exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn, or resolved by any mechanism approved by the Bankruptcy Court.

E. Adjustment to Claims Without Objection

Any duplicate Claim or Interest or any Claim or Interest that has been paid or satisfied, or any Claim or Interest that has been amended or superseded, cancelled or otherwise expunged (including pursuant to the Plan), may be adjusted or expunged (including on the Claims Register, to the extent applicable) by the Reorganized Debtors without a Claims objection having to be Filed and without any further notice to or action, order or approval of the Bankruptcy Court. Additionally, any Claim or Interest that is duplicative or redundant with another Claim against or Interest in the same Debtor or another Debtor may be adjusted or expunged on the Claims Register by the Reorganized Debtors without the Reorganized Debtors having to File an application, motion, complaint, objection, or any other legal proceeding seeking to object to such Claim or Interest and without any further notice to or action, order, or approval of the Bankruptcy Court.

F. Time to File Objections to Claims

Any objections to Claims shall be Filed no later than the Claims Objection Bar Date.

G. Disallowance of Claims

Any Claims or Interests held by Entities from which property is recoverable under section 542, 543, 550, or 553 of the Bankruptcy Code, or that is a transferee of a transfer avoidable under section 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of the Bankruptcy Code, shall be deemed disallowed pursuant to section 502(d) of the Bankruptcy Code, and Holders of such Claims or Interests may not receive any distributions on account of such Claims until such time as such Causes of Action against that Entity have been settled or a Bankruptcy Court order with respect thereto has been entered and all sums due, if any, to the Debtors by that Entity have been turned over or paid to the Reorganized Debtors. All Claims Filed on account of an indemnification obligation to a director, officer, or employee shall be deemed satisfied and expunged from the Claims Register as of the Effective Date to the extent such indemnification obligation is assumed (or honored or reaffirmed, as the case may be) pursuant to the Plan, without any further notice to or action, order, or approval of the Bankruptcy Court.

Except as provided herein or otherwise agreed, any and all Proofs of Claim Filed after the Claims Bar Date or the Administrative Claims Bar Date, as appropriate, shall be deemed disallowed and expunged as of the Effective Date without any further notice to or action, order, or approval of the Bankruptcy Court, and Holders of such Claims may not receive any distributions on account of such Claims, unless such late Proof of Claim has been deemed timely Filed by a Final Order.

H. Amendments to Claims

On or after the Claims Bar Date or the Administrative Claims Bar Date, as appropriate, a Claim may not be Filed or amended without the prior authorization of the Bankruptcy Court or the Reorganized Debtors. Absent such authorization, any new or amended Claim Filed shall be deemed disallowed in full and expunged without any further notice to or action, order, or approval of the Bankruptcy Court to the maximum extent provided by applicable law.

I. No Distributions Pending Allowance

If an objection to a Claim or portion thereof is Filed as set forth in Article VII.B, no payment or distribution provided under the Plan shall be made on account of such Claim or portion thereof unless and until such Disputed Claim becomes an Allowed Claim.

J. Distributions After Allowance

To the extent that a Disputed Claim ultimately becomes an Allowed Claim or Allowed Interest, distributions (if any) shall be made to the Holder of such Allowed Claim or Allowed Interest (as applicable) in accordance with the provisions of the Plan. As soon as practicable after the date that the order or judgment of the Bankruptcy Court allowing any Disputed Claim or Disputed Interest becomes a Final Order, the Disbursing Agent shall provide to the Holder of such Claim or Interest the distribution (if any) to which such Holder is entitled under the Plan as of the

Effective Date, without any interest, dividends, or accruals to be paid on account of such Claim or Interest unless required under applicable bankruptcy law.

ARTICLE VIII.
SETTLEMENT, RELEASE, INJUNCTION, AND RELATED PROVISIONS

A. Discharge of Claims and Termination of Interests

Pursuant to, and to the maximum extent provided by, section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan or in any contract, instrument, or other agreement or document created pursuant to the Plan, the distributions, rights, and treatment that are provided in the Plan shall be in complete satisfaction, discharge, and release, effective as of the Effective Date, of Claims (including any Intercompany Claims resolved or compromised after the Effective Date by the Reorganized Debtors), Interests, and Causes of Action of any nature whatsoever, including any interest accrued on Claims or Interests from and after the Petition Date, whether known or unknown, against, liabilities of, Liens on, obligations of, rights against, and Interests in, the Debtors or any of their assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims and Interests, including demands, liabilities, and Causes of Action that arose before the Effective Date, any liability (including withdrawal liability) to the extent such Claims or Interests relate to services performed by current or former employees of the Debtors prior to the Effective Date and that arise from a termination of employment, any contingent or non-contingent liability on account of representations or warranties issued on or before the Effective Date, and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not: (1) a Proof of Claim or Proof of Interest based upon such debt, right, or Interest is Filed or deemed Filed pursuant to section 501 of the Bankruptcy Code; (2) a Claim or Interest based upon such debt, right, or Interest is Allowed pursuant to section 502 of the Bankruptcy Code; or (3) the Holder of such a Claim or Interest has accepted the Plan. Any default or "event of default" by the Debtors or their Affiliates with respect to any Claim or Interest that existed immediately prior to or on account of the filing of the Chapter 11 Cases shall be deemed cured on the Effective Date. The Confirmation Order shall be a judicial determination of the discharge of all Claims and Interests subject to the occurrence of the Effective Date.

B. Release of Liens

Except as otherwise provided in the Exit Facility Documents, the Plan, the Plan Supplement, or any contract, instrument, release, or other agreement or document created pursuant to the Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to the Plan and, in the case of an Other Secured Claim (other than any Claim secured by the Administration Charge) or Secured Tax Claim, satisfaction in full of the portion of the Other Secured Claim (other than any Claim secured by the Administration Charge) or Secured Tax Claim that is Allowed as of the Effective Date and required to be satisfied pursuant to the Plan, except for Other Secured Claims (other than any Claim secured by the Administration Charge) that the Debtors elect to reinstate in accordance with Article III.B.1 hereof, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estates shall be fully released, settled, compromised, and discharged, and all of the right, title, and interest of any Holder of such mortgages, deeds of trust, Liens, pledges, or other security interests shall revert automatically to the applicable Debtor and its successors and assigns. Any Holder of such Secured Claim (and the applicable agents for such Holder) shall be authorized and directed to release any collateral or other property of any Debtor (including any cash collateral and possessory collateral) held by such Holder (and the applicable agents for such Holder), and to take such actions as may be reasonably requested by the Reorganized Debtors to evidence the release of such Lien, including the execution, delivery, and filing or recording of such releases. The presentation or filing of the Confirmation Order to or with any federal, state, provincial, or local agency or department shall constitute good and sufficient evidence of, but shall not be required to effect, the termination of such Liens.

C. Debtor Release

Effective as of the Effective Date, pursuant to section 1123(b) of the Bankruptcy Code, for good and valuable consideration, including the service of the Released Parties in facilitating the expeditious reorganization of the Debtor and implementation of the restructuring contemplated by the Plan, the adequacy

of which is hereby confirmed, on and after the Effective Date each Released Party is deemed released and discharged by each and all of the Debtors, the Reorganized Debtors, and their Estates, in each case on behalf of themselves and their respective successors, assigns, and representatives, and any and all other Entities who may purport to assert any Cause of Action, directly or derivatively, by, through, for, or because of the foregoing Entities, from any and all Claims, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, including any derivative claims, asserted or assertable on behalf of any of the Debtors, the Reorganized Debtors, or their Estates, as applicable, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, that the Debtors, the Reorganized Debtors, or their Estates or Affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim against, or Interest in, a Debtor or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions, the Restructuring Transactions, the Sale Transaction (if applicable), entry into the Exit Facilities, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, filing, or consummation of the RSA, the Disclosure Statement, the Prepetition Facilities, the DIP Facilities, the Sale Transaction (if applicable), the Exit Facilities, the Plan, the Plan Supplement, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the RSA, the Disclosure Statement, the Prepetition Facilities, the DIP Facilities, or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, other than claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes actual fraud, willful misconduct, or gross negligence, each solely to the extent as determined by a Final Order of a court of competent jurisdiction. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release (1) any post-Effective Date obligations of any party or Entity under the Plan, any Restructuring Transaction, or any document, instrument, or agreement (including the Exit Facility Documents and any documents set forth in the Plan Supplement) executed to implement the Plan and (2) any Causes of Action listed on the Schedule of Retained Causes of Action.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Debtor Release, which includes by reference each of the related provisions and definitions contained in this Plan, and further, shall constitute the Bankruptcy Court's finding that each Debtor Release is: (1) in exchange for the good and valuable consideration provided by the Released Parties, (2) a good-faith settlement and compromise of such Claims; (3) in the best interests of the Debtors and all Holders of Claims and Interests; (4) fair, equitable, and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to any of the Debtors or Reorganized Debtors or their respective Estates asserting any claim, Cause of Action, or liability related thereto, of any kind whatsoever, against any of the Released Parties or their property.

D. Third-Party Release

Effective as of the Effective Date, in exchange for good and valuable consideration, including the obligations of the Debtors under the Plan and the contributions of the Released Parties in facilitating the expeditious reorganization of the Debtors and the implementation of the restructuring contemplated by the Plan, to the fullest extent permissible under applicable law, as such law may be extended or integrated after the Effective Date, on and after the Effective Date each of the Releasing Parties shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever, released and discharged each Debtor, Reorganized Debtor, and Released Party from any and all Claims, interests, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, including any derivative claims, asserted or assertable on behalf of any of the Debtors, the Reorganized Debtors, or their Estates, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the purchase, sale, or rescission of the purchase or sale

of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions, the Restructuring Transactions, the Sale Transaction (if applicable), entry into the Exit Facilities, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, filing, or consummation of the RSA, the Disclosure Statement, the DIP Facilities, the Sale Transaction (if applicable), the Exit Facilities, the Plan, the Plan Supplement, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the RSA, the Disclosure Statement, the DIP Facilities, or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, other than claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes actual fraud, willful misconduct, or gross negligence, each solely to the extent as determined by a Final Order of a court of competent jurisdiction. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release any post-Effective Date obligations of any party or Entity under the Plan, any Restructuring Transaction, or any document, instrument, or agreement (including the Exit Facility Documents and any documents set forth in the Plan Supplement) executed to implement the Plan.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Third-Party Release, which includes by reference each of the related provisions and definitions contained in this Plan, and further, shall constitute the Bankruptcy Court's finding that each Third-Party Release is: (1) in exchange for the good and valuable consideration provided by the Released Parties, (2) a good-faith settlement and compromise of such Claims; (3) in the best interests of the Debtors and all Holders of Claims and Interests; (4) fair, equitable, and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to any of the Debtors or Reorganized Debtors or their respective Estates asserting any claim, Cause of Action, or liability related thereto, of any kind whatsoever, against any of the Released Parties or their property.

E. Exculpation

Effective as of the Effective Date, to the fullest extent permissible under applicable law and without affecting or limiting either the Debtor Release or the Third-Party Release, and except as otherwise specifically provided in the Plan, no Exculpated Party shall have or incur, and each Exculpated Party is hereby exculpated from, any Cause of Action for any Claim related to any act or omission based on the negotiation, execution, and implementation of any transactions approved by the Bankruptcy Court in the Chapter 11 Cases, including the RSA, the Disclosure Statement, the Plan, the Plan Supplement, the Confirmation Order, or any Restructuring Transaction, contract, instrument, release, or other agreement or document contemplated by the Plan or the reliance by any Exculpated Party on the Plan or the Confirmation Order, created or entered into in connection with the RSA, the Disclosure Statement, or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance of any securities pursuant to the Plan or the distribution of property under the Plan or any other related agreement, and the implementation of the Restructuring Transactions contemplated by the Plan, except for Claims related to any act or omission that is determined by Final Order to have constituted actual fraud, willful misconduct, or gross negligence, but in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan. The Exculpated Parties have, and upon completion of the Plan shall be deemed to have, participated in good faith and in compliance with the applicable laws with regard to the solicitation of votes on, and distribution of consideration pursuant to, the Plan and, therefore, are not, and on account of such distributions shall not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan. Notwithstanding the foregoing, the exculpation shall not release any obligation or liability of any Entity for any post-Effective Date obligation under the Plan or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan.

F. Injunction

Effective as of the Effective Date, pursuant to section 524(a) of the Bankruptcy Code, to the fullest extent permissible under applicable law, and except as otherwise expressly provided in the Plan or for obligations issued or required to be paid pursuant to the Plan or the Confirmation Order, all Entities who have held, hold, or may hold Claims or Interests that have been discharged pursuant to Article VIII.A of the Plan, released pursuant to the Debtor Release, the Third-Party Release, or another provision of the Plan (including the release of liens pursuant to Article VIII.B of the Plan), or are subject to exculpation pursuant to Article VIII.E of the Plan, are permanently enjoined, from and after the Effective Date, from taking any of the following actions against, as applicable, the Debtors, the Reorganized Debtors, the Exculpated Parties, or the Released Parties: (1) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests; (2) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against such Entities on account of or in connection with or with respect to any such Claims or Interests; (3) creating, perfecting, or enforcing any encumbrance of any kind against such Entities or the property or the estates of such Entities on account of or in connection with or with respect to any such Claims or Interests; (4) asserting any right of setoff, subrogation, or recoupment of any kind, against any obligation due from such Entities or against the property of such Entities on account of or in connection with or with respect to any such Claims or Interests unless such Holder has Filed a motion requesting the right to perform such setoff on or before the Effective Date, and notwithstanding an indication of a Claim or Interest or otherwise that such Holder asserts, has, or intends to preserve any right of setoff pursuant to applicable law or otherwise; and (5) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests released or settled pursuant to the Plan.

Upon entry of the Confirmation Order and recognition by the Canadian Court of the Confirmation Order in the Recognition Proceedings, all Holders of Claims and Interests and their respective current and former employees, agents, officers, directors, principals, and direct and indirect affiliates shall be enjoined from taking any actions to interfere with the implementation or Consummation of the Plan. Each Holder of an Allowed Claim or Allowed Interest, as applicable, by accepting, or being eligible to accept, distributions under or Reinstatement of such Claim or Interest, as applicable, pursuant to the Plan, shall be deemed to have consented to the injunction provisions set forth in this Article VIII.F of the Plan.

G. Protections Against Discriminatory Treatment

To the maximum extent provided by section 525 of the Bankruptcy Code and the Supremacy Clause of the U.S. Constitution, all Entities, including Governmental Units, shall not discriminate against the Reorganized Debtors or deny, revoke, suspend, or refuse to renew a license, permit, charter, franchise, or other similar grant to, condition such a grant to, discriminate with respect to such a grant against, the Reorganized Debtors, or another Entity with whom the Reorganized Debtors have been associated, solely because each Debtor has been a debtor under chapter 11 of the Bankruptcy Code, has been insolvent before the commencement of the Chapter 11 Cases (or during the Chapter 11 Cases but before the Debtors are granted or denied a discharge), or has not paid a debt that is dischargeable in the Chapter 11 Cases.

H. Document Retention

On and after the Effective Date, the Reorganized Debtors may maintain documents in accordance with their standard document retention policy, as may be altered, amended, modified, or supplemented by the Reorganized Debtors.

I. Reimbursement or Contribution

If the Bankruptcy Court disallows a Claim for reimbursement or contribution of an Entity pursuant to section 502(e)(1)(B) of the Bankruptcy Code, then to the extent that such Claim is contingent as of the time of allowance or disallowance, such Claim shall be forever disallowed and expunged notwithstanding section 502(j) of the Bankruptcy Code, unless prior to the Confirmation Date: (1) such Claim has been adjudicated as non-contingent

or (2) the relevant Holder of a Claim has Filed a non-contingent Proof of Claim on account of such Claim and a Final Order has been entered prior to the Confirmation Date determining such Claim as no longer contingent.

J. Term of Injunctions or Stays

Unless otherwise provided in the Plan or in the Confirmation Order, all injunctions or stays in effect in the Chapter 11 Cases pursuant to sections 105 or 362 of the Bankruptcy Code or any order of the Bankruptcy Court, and extant on the Confirmation Date (excluding any injunctions or stays contained in the Plan or the Confirmation Order), shall remain in full force and effect until the Effective Date. All injunctions or stays contained in the Plan or the Confirmation Order shall remain in full force and effect in accordance with their terms.

K. Subordination Rights

The classification and manner of satisfying all Claims and Interests under the Plan take into consideration all subordination rights, whether arising under general principles of equitable subordination, contract, section 510(c) of the Bankruptcy Code, or otherwise, that a Holder of a Claim or Interest may have against other Claim or Interest holders with respect to any distribution made pursuant to the Plan. Except as provided in the Plan, all subordination rights that a Holder of a Claim may have with respect to any distribution to be made pursuant to the Plan shall be discharged and terminated, and all actions related to the enforcement of such subordination rights shall be permanently enjoined.

Pursuant to Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided under the Plan, the provisions of the Plan shall constitute a good faith compromise and settlement of all claims or controversies relating to the subordination rights that a Holder of a Claim may have with respect to any Allowed Claim or any distribution to be made pursuant to the Plan on account of any Allowed Claim. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, as of the Effective Date, of the compromise or settlement of all such claims or controversies and the Bankruptcy Court's finding that such compromise or settlement is in the best interests of the Debtors, the Estates, the Reorganized Debtors, their respective property, and Holders of Claims and Interests and is fair, equitable, and reasonable.

ARTICLE IX.
CONDITIONS PRECEDENT TO CONSUMMATION OF THE PLAN

A. Conditions Precedent to the Effective Date

It shall be a condition to the Effective Date of the Plan that the following conditions shall have been satisfied or waived pursuant to the provisions of Article IX.B hereof:

1. the Bankruptcy Court shall have entered the Confirmation Order and the Confirmation Order shall have been recognized by an order of the Canadian Court in the Recognition Proceedings, and such orders shall not have been stayed, modified, or vacated on appeal;

2. the Debtors shall have obtained all authorizations, consents, regulatory approvals, rulings, or documents that are necessary to implement and effectuate the Plan;

3. the Professional Fee Escrow Account shall have been established and funded with the Professional Fee Escrow Amount;

4. if applicable, the Exit Facility Documents shall have been executed and delivered by all of the Entities that are parties thereto, and all conditions precedent (other than any conditions related to the occurrence of the Effective Date) to the consummation of the Exit Facilities shall have been waived or satisfied in accordance with the terms thereof, and the closing of the Exit Facilities (and the payment in full of the DIP ABL Claims pursuant to the Payoff Letter) shall be deemed to occur concurrently with the occurrence of the Effective Date;

5. if applicable, the New Organizational Documents shall have been executed and delivered by each Entity party thereto and shall be in full force and effect, and the issuance of the New Interests shall be deemed to occur concurrently with the occurrence of the Effective Date; and

6. if applicable, all conditions precedent to the consummation of the Sale Transaction shall have been satisfied in accordance with the terms thereof, and the closing of the Sale Transaction shall be deemed to occur concurrently with the occurrence of the Effective Date.

B. Waiver of Conditions

Subject to and without limiting the rights of each party to the RSA, the conditions to Consummation set forth in Article IX may be waived by the Debtors with the reasonable consent of the Term Loan Agent, the Required Term Lenders, the DIP ABL Agent (solely with respect to the economic and non-economic treatment of the DIP ABL Agent and DIP ABL Lenders pursuant to such order), the Committee (solely with respect to the economic and non-economic treatment of General Unsecured Claims), and the Sponsor (solely with respect to the economic and non-economic treatment of the Last Out Loans or the Last Out DIP Loans, as applicable) without notice, leave, or order of the Bankruptcy Court or any formal action other than proceeding to confirm or consummate the Plan.

C. Substantial Consummation

"Substantial Consummation" of the Plan, as defined in section 1102(2) of the Bankruptcy Code, with respect to any of the Debtors, shall be deemed to occur on the Effective Date.

D. Effect of Failure of Conditions

If the Effective Date of the Plan does not occur, the Plan shall be null and void in all respects and nothing contained in the Plan or the Disclosure Statement shall: (1) constitute a waiver or release of any Claims by the Debtors, any Holders, or any other Entity; (2) prejudice in any manner the rights of the Debtors, any Holders, or any other Entity; or (3) constitute an admission, acknowledgment, offer, or undertaking by the Debtors, any Holders, or any other Entity in any respect.

ARTICLE X.
MODIFICATION, REVOCATION, OR WITHDRAWAL OF THE PLAN

A. Modification and Amendments

Except as otherwise specifically provided in the Plan, the Debtors, with the reasonable consent of the Term Loan Agent, Required Term Lenders, the DIP ABL Agent (solely with respect to the economic and non-economic treatment of the DIP ABL Agent and DIP ABL Lenders pursuant to such order), the Committee (solely with respect to the economic and non-economic treatment of General Unsecured Claims), or the Sponsor (solely with respect to the economic and non-economic treatment of the Last Out Loans or the Last Out DIP Loans, as applicable), reserve the right to modify the Plan, whether such modification is material or immaterial, and seek Confirmation consistent with the Bankruptcy Code and, as appropriate, not re-solicit votes on such modified Plan. Subject to certain restrictions and requirements set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019 (as well as those restrictions on modifications set forth in the Plan), the Debtors expressly reserve their respective rights to revoke or withdraw, to alter, amend, or modify the Plan with respect to each Debtor, one or more times, before or after Confirmation, and, to the extent necessary, may initiate proceedings in the Bankruptcy Court to so alter, amend, or modify the Plan, or remedy any defect or omission or reconcile any inconsistencies in the Plan, the Disclosure Statement, or the Confirmation Order, in such matters as may be necessary to carry out the purposes and intent of the Plan.

B. Effect of Confirmation on Modifications

Entry of a Confirmation Order shall mean that all modifications or amendments to the Plan since the solicitation thereof are approved pursuant to section 1127(a) of the Bankruptcy Code and do not require additional disclosure or re-solicitation under Bankruptcy Rule 3019.

C. Revocation or Withdrawal of Plan

The Debtors reserve the right to revoke or withdraw the Plan before the Confirmation Date and to file subsequent plans, in each case subject to any applicable consent rights as set forth in the RSA, the DIP Orders, or the DIP Facilities. If the Debtors revoke or withdraw the Plan, or if Confirmation or Consummation does not occur, then: (1) the Plan shall be null and void in all respects; (2) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain of the Claims or Interests or Class of Claims or Interests), assumption, assumption and assignment, or rejection of Executory Contracts or Unexpired Leases effected by the Plan, and any document or agreement executed pursuant to the Plan, shall be deemed null and void; and (3) nothing contained in the Plan shall: (a) constitute a waiver or release of any Claims, Causes of Action, or Interests; (b) prejudice in any manner the rights of such Debtor, any Holder, or any other Entity; or (c) constitute an admission, acknowledgement, offer, or undertaking of any sort by such Debtor, any Holder, or any other Entity.

ARTICLE XI.
RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, on and after the Effective Date, to the extent legally permissible, the Bankruptcy Court shall retain exclusive jurisdiction over all matters arising out of, or related to, the Chapter 11 Cases and the Plan pursuant to sections 105(a) and 1142 of the Bankruptcy Code, including jurisdiction to:

1. allow, disallow, determine, liquidate, classify, estimate, or establish the priority, Secured or unsecured status, or amount of any Claim or Interest, including the resolution of any request for payment of any Administrative Claim and the resolution of any and all objections to the Secured or unsecured status, priority, amount, or allowance of Claims or Interests;

2. decide and resolve all matters related to the granting and denying, in whole or in part, any applications for allowance of compensation or reimbursement of expenses to Professionals (including Accrued Professional Compensation Claims) authorized pursuant to the Bankruptcy Code or the Plan;

3. resolve any matters related to: (a) the assumption, assumption and assignment, or rejection of any Executory Contract or Unexpired Lease to which a Debtor is party or with respect to which a Debtor may be liable and to hear, determine, and, if necessary, liquidate, any Claims arising therefrom, including cure Claims pursuant to section 365 of the Bankruptcy Code; (b) any potential contractual obligation under any Executory Contract or Unexpired Lease that is assumed (or assumed and assigned); (c) the Reorganized Debtors amending, modifying or supplementing, after the Effective Date, pursuant to Article V, the Executory Contracts and Unexpired Leases to be assumed (or assumed and assigned) or rejected or otherwise; and (d) any dispute regarding whether a contract or lease is or was executory, expired, or terminated;

4. ensure that distributions to Holders of Allowed Claims and Interests are accomplished pursuant to the provisions of the Plan;

5. adjudicate, decide, or resolve any motions, adversary proceedings, contested or litigated matters, and any other matters, and grant or deny any applications involving a Debtor that may be pending on the Effective Date;

6. adjudicate, decide, or resolve any and all matters related to section 1141 of the Bankruptcy Code;

7. enter and implement such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of the Plan and all contracts, instruments, releases, indentures, and other agreements or documents created in connection with the Plan, the Plan Supplement, the Disclosure Statement, or the Confirmation Order;

8. enter and enforce any order for the sale of property pursuant to sections 363, 1123, or 1146(a) of the Bankruptcy Code;

9. resolve any cases, controversies, suits, disputes, or Causes of Action that may arise in connection with Consummation, including interpretation or enforcement of the Plan or any Entity's obligations incurred in connection with the Plan;

10. issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any Entity with Consummation or enforcement of the Plan;

11. resolve any cases, controversies, suits, disputes or Causes of Action with respect to the releases, injunctions and other provisions contained in Article VIII, and enter such orders as may be necessary or appropriate to implement such releases, injunctions and other provisions;

12. resolve any cases, controversies, suits, disputes or Causes of Action with respect to the repayment or return of distributions and the recovery of additional amounts owed by the Holder of a Claim for amounts not timely repaid in accordance with the Plan;

13. enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;

14. determine any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order, or, subject to any applicable forum selection clauses, any contract, instrument, release, indenture, or other agreement or document created in connection with the Plan or the Disclosure Statement;

15. enter an order or Final Decree concluding or closing any of the Chapter 11 Cases;

16. adjudicate any and all disputes arising from or relating to distributions under the Plan;

17. consider any modifications of the Plan, to cure any defect or omission or to reconcile any inconsistency in any Bankruptcy Court order, including the Confirmation Order;

18. determine requests for the payment of Claims entitled to priority pursuant to section 507 of the Bankruptcy Code;

19. hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Plan or the Confirmation Order or any Entity's obligations incurred in connection with the Plan, including, subject to any applicable forum selection clauses, disputes arising under agreements, documents, or instruments executed in connection with the Plan;

20. hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Restructuring Transactions, whether they occur before, on or after the Effective Date;

21. hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;

22. hear and determine all disputes involving the existence, nature, scope, or enforcement of any exculpations, discharges, injunctions, and releases granted in connection with and under the Plan, including under Article VIII;

23. enforce all orders previously entered by the Bankruptcy Court; and

24. hear any other matter not inconsistent with the Bankruptcy Code.

ARTICLE XII.
MISCELLANEOUS PROVISIONS

A. Immediate Binding Effect

Subject to Article IX.A and notwithstanding Bankruptcy Rules 3020(e), 6004(h), or 7062 or otherwise, upon the occurrence of the Effective Date, the terms of the Plan and the Plan Supplement shall be immediately effective and enforceable and deemed binding upon the Debtors, the Reorganized Debtors, and any and all Holders of Claims or Interests (irrespective of whether their Claims or Interests are deemed to have accepted the Plan), all Entities that are parties to or are subject to the settlements, compromises, releases, discharges, and injunctions described in the Plan, each Entity acquiring property under the Plan and any and all non-Debtor parties to Executory Contracts and Unexpired Leases with the Debtors.

B. Additional Documents

On or before the Effective Date, the Debtors may File with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan. The Debtors or Reorganized Debtors, as applicable, and all Holders receiving distributions pursuant to the Plan and all other parties in interest may, from time to time, prepare, execute, and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provisions and intent of the Plan.

C. Payment of Statutory Fees

Each of the Debtors (or the Disbursing Agent on behalf of each of the Debtors) shall pay all fees payable pursuant to section 1930(a)(6) of the Judicial Code, together with any interest thereon pursuant to 31 U.S.C. § 3717, on or before the Effective Date in Cash, based on disbursements in and outside the ordinary course of the Debtors' business and Plan payments. Thereafter, such fees and any applicable interest shall be paid by each of the Reorganized Debtors (or the Disbursing Agent on behalf of each of the Reorganized Debtors) until the earlier of entry of a final decree closing such Chapter 11 Case or an order of dismissal or conversion, whichever occurs first.

D. Statutory Committee and Cessation of Fee and Expense Payment

On the Effective Date, the Committee shall dissolve automatically and the members thereof shall be released and discharged from all rights, duties, responsibilities, and liabilities arising on or prior to the Effective Date, from, or related to, the Chapter 11 Cases and under the Bankruptcy Code, except for the limited purpose of prosecuting requests for payment of Professional Fee Claims for services and reimbursement of expenses incurred prior to the Effective Date by the Committee and its Professionals. The Reorganized Debtors shall no longer be responsible for paying any fees or expenses incurred by the members of or advisors to the Creditors' Committee after the Effective Date.

E. Reservation of Rights

Except as expressly set forth in the Plan, the Plan shall have no force or effect unless the Bankruptcy Court enters the Confirmation Order, and the Confirmation Order shall have no force or effect if the Effective Date does not occur. None of the Filing of the Plan, any statement or provision contained in the Plan or the taking of any action by any Debtor with respect to the Plan, the Disclosure Statement or the Plan Supplement shall be or shall be deemed to be an admission or waiver of any rights of any Debtor with respect to the Holders unless and until the Effective Date has occurred.

F. Successors and Assigns

The rights, benefits, and obligations of any Entity named or referred to in the Plan or the Confirmation Order shall be binding on, and shall inure to the benefit of any heir, executor, administrator, successor or assign, Affiliate, officer, director, agent, representative, attorney, beneficiaries, or guardian, if any, of each Entity.

G. Notices

To be effective, all notices, requests, and demands to or upon the Debtors shall be in writing (including by facsimile transmission) and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered by courier or registered or certified mail (return receipt requested) or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed to the following:

1. If to the Debtors, to:

Hollander Sleep Products, LLC
901 Yamato Road, Suite 250
Boca Raton, Florida 33431
Attention: Marc L. Pfefferle
E-mail: mpfefferle@carlmarks.com

with copies (which shall not constitute notice) to:

Kirkland & Ellis LLP
601 Lexington Avenue
New York, New York 10022
Attention: Joshua A. Sussberg, P.C.
Christopher T. Greco, P.C.
E-mail: joshua.sussberg@kirkland.com
christopher.greco@kirkland.com

- and -

Kirkland & Ellis LLP
300 North LaSalle
Chicago, Illinois 60654
Attention: Joseph M. Graham
Laura Krucks
E-mail: joe.graham@kirkland.com
laura.krucks@kirkland.com

2. If to the ABL Agent or DIP ABL Agent, to:

Goldberg Kohn Ltd.
55 East Monroe, Suite 3300
Chicago, Illinois 60603
Attention: Randall Klein
E-mail address: Randall.Klein@goldbergkohn.com

3. If to the Term Loan Agent or the DIP Term Agent, to:

King & Spalding LLP
1180 Peachtree Street, NE Suite 1600
Atlanta, Georgia 30309
Attention: W. Austin Jowers
E-mail address: ajowers@kslaw.com

-and -

King & Spalding LLP
1185 Avenue of the Americas
New York, New York 10036
Attention: Christopher G. Boies
Stephen M. Blank
E-mail address: cboies@kslaw.com
sblank@kslaw.com

4. If to the Committee, to:

Pachulski Stang Ziehl & Jones, LLP
780 Third Avenue, Suite 3400
New York, New York 10027
Attn: Robert J. Feinstein
Bradford J. Sandler
Email: rfeinstein@pszjlaw.com
bsandler@pszjlaw.com

After the Effective Date, the Reorganized Debtors may notify Entities that, to continue to receive documents pursuant to Bankruptcy Rule 2002, such Entity must File a renewed request to receive documents pursuant to Bankruptcy Rule 2002. After the Effective Date, the Debtors are authorized to limit the list of Entities receiving documents pursuant to Bankruptcy Rule 2002 to those Entities who have Filed such renewed requests.

H. Entire Agreement

Except as otherwise indicated, the Plan and the Plan Supplement supersede all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations on such subjects, all of which have become merged and integrated into the Plan. If the Effective Date does not occur, nothing herein shall be construed as a waiver by any party in interest of any or all of such party's rights, remedies, claims, and defenses, and such parties expressly reserve any and all of their respective rights, remedies, claims and, defenses. This Plan and the documents comprising the Plan Supplement, including any drafts thereof (and any discussions, correspondence, or negotiations regarding any of the foregoing) shall in no event be construed as, or be deemed to be, evidence of an admission or concession on the part of any party in interest of any claim or fault or liability or damages whatsoever. Pursuant to Federal Rule of Evidence 408 and any applicable state rules of evidence, all negotiations, discussions, agreements, settlements, and compromises reflected in or related to Plan and the documents comprising the Plan Supplement is part of a proposed settlement of matters that could otherwise be the subject of litigation among various parties in interest, and such negotiations, discussions, agreements, settlements, and compromises shall not be admissible into evidence in any proceeding other than a proceeding to enforce the terms of the Plan and the documents comprising the Plan Supplement.

I. Exhibits

All exhibits and documents included in the Plan Supplement are incorporated into and are a part of the Plan as if set forth in full in the Plan. After the exhibits and documents are Filed, copies of such exhibits and documents shall be available upon written request to the Debtors' counsel at the address above or by downloading such exhibits and documents from the website of the Notice and Claims Agent at www.omnimgt.com/cases/hollander or (for a fee) the Bankruptcy Court's website at http://www.ecf.nysb.uscourts.gov/. To the extent any exhibit or document is inconsistent with the terms of the Plan, unless otherwise ordered by the Bankruptcy Court, the non-exhibit or non-document portion of the Plan shall control. The documents contained in the Plan Supplement are an integral part of the Plan and shall be deemed approved by the Bankruptcy Court pursuant to the Confirmation Order. For the

avoidance of doubt, no provisions of the Plan Supplement may contradict the provisions under the Plan that require payment in full (in accordance with Section 1.4 of the DIP ABL Credit Agreement) of the DIP ABL Claims.

J. Non-Severability of Plan Provisions

The provisions of the Plan, including its release, injunction, exculpation, and compromise provisions, are mutually dependent and non-severable. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is: (1) valid and enforceable pursuant to its terms; (2) integral to the Plan and may not be deleted or modified without the consent of the Debtors, consistent with the terms set forth herein; and (3) non-severable and mutually dependent.

K. Votes Solicited in Good Faith

Upon entry of the Confirmation Order, the Debtors will be deemed to have solicited votes on the Plan in good faith and in compliance with the Bankruptcy Code, and pursuant to section 1125(e) of the Bankruptcy Code, the Debtors and each of their respective affiliates, agents, representatives, members, principals, shareholders, officers, directors, employees, advisors, and attorneys will be deemed to have participated in good faith and in compliance with the Bankruptcy Code in the offer, issuance, sale, and purchase of Securities offered and sold under the Plan and any previous plan and, therefore, no such parties will have any liability for the violation of any applicable law, rule, or regulation governing the solicitation of votes on the Plan or the offer, issuance, sale, or purchase of the Securities offered and sold under the Plan or any previous plan.

L. Closing of Chapter 11 Cases

The Reorganized Debtors shall, promptly after the full administration of the Chapter 11 Cases, File with the Bankruptcy Court all documents required by Bankruptcy Rule 3022 and any applicable order necessary to close the Chapter 11 Cases.

M. Conflicts

Except as set forth in the Plan, to the extent that any provision of the Disclosure Statement, the Plan Supplement, or any other order (other than the Confirmation Order) referenced in the Plan (or any exhibits, schedules, appendices, supplements, or amendments to any of the foregoing), conflict with or are in any way inconsistent with any provision of the Plan, the Plan shall govern and control. In the event of an inconsistency between the Confirmation Order and the Plan, the Confirmation Order shall control.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Hollander Sleep Products, LLC

By: */s/ Marc L. Pfefferle*
Name: Marc L. Pfefferle
Title: Chief Executive Officer

Exhibit 2

Redline

Solicitation Version

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
HOLLANDER SLEEP PRODUCTS, LLC, *et al.*,[1]	)	Case No. 19-11608 (MEW)
Debtors.	)	(Jointly Administered)

DEBTORS' FIRST AMENDED JOINT PLAN OF REORGANIZATION PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE

Joshua A. Sussberg, P.C.
Christopher T. Greco, P.C.
KIRKLAND & ELLIS LLP
KIRKLAND & ELLIS INTERNATIONAL LLP
601 Lexington Avenue
New York, New York 10022
Telephone: (212) 446-4800
Facsimile: (212) 446-4900

Joseph M. Graham (admitted *pro hac vice*)
KIRKLAND & ELLIS LLP
KIRKLAND & ELLIS INTERNATIONAL LLP
300 North LaSalle
Chicago, Illinois 60654
Telephone: (312) 862-2000
Facsimile: (312) 862-2200

Counsel to the Debtors and Debtors in Possession

Dated: July ~~21~~25, 2019

Nothing contained herein shall constitute an offer, acceptance, or a legally binding obligation of the Debtors or any other party in interest and this Plan is subject to approval by the Bankruptcy Court and other customary conditions. This Plan is not an offer with respect to any securities. YOU SHOULD NOT RELY ON THE INFORMATION CONTAINED IN, OR THE TERMS OF, THIS PLAN FOR ANY PURPOSE PRIOR TO THE CONFIRMATION OF THIS PLAN BY THE BANKRUPTCY COURT.

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors' service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

specified in section 365(b)(2) of the Bankruptcy Code or of a kind that section 365(b)(2) expressly does not require to be cured; (ii) reinstating the maturity (to the extent such maturity has not otherwise accrued by the passage of time) of such Claim or Interest as such maturity existed before such default; (iii) compensating the Holder of such Claim or Interest for any damages incurred as a result of any reasonable reliance by such holder on such contractual provision or such applicable law; (iv) if such Claim or Interest arises from a failure to perform a nonmonetary obligation other than a default arising from failure to operate a nonresidential real property lease subject to section 365(b)(1)(A), compensating the Holder of such Claim or Interest (other than the Debtor or an insider) for any actual pecuniary loss incurred by such Holder as a result of such failure; and (v) not otherwise altering the legal, equitable, or contractual rights to which such Claim or Interest entitles the Holder.

154. "***Released Party***" means, collectively, and in each case in its capacity as such: (a) the Debtors; (b) the Reorganized Debtors; (c) the Prepetition Secured Lenders; (d) the Prepetition Agents; (e) the DIP Lenders; (f) the Put Purchasers; (g) the DIP Agents; (h) the Exit Facility Lenders; (i) the Exit Facility Agents; (j) the Winning Bidder; (k) the Sponsor; (l) the parties to the RSA; (m) the Committee; and (n) with respect to each of the foregoing in clauses (a) through (m), such Entity and its current and former Affiliates, and such Entities' and their current Affiliates' directors, managers, officers, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, participants, successors, and assigns, subsidiaries, affiliates, managed accounts or funds, and each of their respective current and former equity holders, officers, directors, managers, principals, shareholders, members (other than members of the Committee), management companies, fund advisors, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals; *provided* that any of the foregoing that does not consent to the releases shall not be a "Released Party."

155. "***Releasing Parties***" means, collectively, each of the following: (a) the Debtors; (b) the Reorganized Debtors; (c) the Prepetition Secured Lenders; (d) the Prepetition Agents; (e) the DIP Lenders; (f) the Put Purchasers; (g) the DIP Agents; (h) the Exit Facility Lenders; (i) the Exit Facility Agents; (j) the Winning Bidder; (k) the Sponsor; (l) the parties to the RSA; (m) the Committee; (n) with respect to each of the foregoing in clauses (a) through (m), such Entity and its current and former Affiliates, and such Entities' and their current and former Affiliates' current and former directors, managers, officers, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, successors, and assigns, subsidiaries, affiliates, managed accounts or funds, and each of their respective current and former equity holders, officers, directors, managers, principals, shareholders, members, management companies, fund advisors, employees, agents, advisory board members (other than members of the Committee), financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, each in their capacity as such ~~collectively~~and solely to the extent of such Entity's authority to bind any of the foregoing, including pursuant to agreement or applicable non-bankruptcy law; (o) all Holders of Claims that vote to accept the Plan; (p) all Holders of Claims that vote to reject the Plan but elect on their ballot to opt into the Third-Party Release; and (q) all Holders of Claims or Interests not described in the foregoing clauses (a) through (p) who elect to opt into the Third-Party Release.

156. "***Reorganized Debtors***" means the Debtors, as reorganized pursuant to and under the Plan, or any successor or assign thereto, by merger, amalgamation, consolidation, or otherwise, on or after the Effective Date, including Reorganized Dream II.

157. "***Reorganized Dream II***" means Dream II Holdings, LLC, or any successor thereto, by merger, consolidation, or otherwise, on or after the Effective Date.

158. "***Required Term Lenders***" means the Required Consenting Term Loan Lenders (as defined in the RSA).

159. "***Restructuring Transactions***" means the transactions described in Article IV.B of the Plan.

160. "***Restructuring Transactions Memorandum***" means, if the Term Loan Lenders are the Winning Bidder, a memorandum to be included in the Plan Supplement, prior to the Effective Date that, among other things, sets forth the steps necessary to effectuate the transactions described in Article IV.B of the Plan.

188. "***Voting Deadline***" means ~~[~~4:00 p.m.~~]~~, prevailing Eastern Time, on ~~[~~August 28~~]~~, 2019.

189. "***Winning Bidder***" means the Entity or Entities whose bid or bids for some or all of the Debtors' assets, which for the avoidance of doubt may include the transaction contemplated under the Plan, is selected by the Debtors and approved by the Bankruptcy Court as the highest or otherwise best bid pursuant to the Bidding Procedures. For the avoidance of doubt, if there is no third-party purchaser of the assets, the Term Loan Lenders shall be deemed to be the Winning Bidder in accordance with the other terms and provisions of the Plan.

B. Rules of Interpretation

For purposes of this Plan: (1) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and the neuter gender; (2) any reference herein to a contract, lease, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that the referenced document shall be substantially in that form or substantially on those terms and conditions; (3) any reference herein to an existing document, schedule, or exhibit, whether or not Filed, having been Filed or to be Filed shall mean that document, schedule, or exhibit, as it may thereafter be amended, restated, supplemented, or otherwise modified; (4) any reference to an Entity as a Holder of a Claim or Interest includes that Entity's successors and assigns; (5) unless otherwise specified, all references herein to "Articles" are references to Articles of the Plan or hereto; (6) unless otherwise specified, all references herein to exhibits are references to exhibits in the Plan Supplement; (7) the words "include" and "including," and variations thereof, shall not be deemed to be terms of limitation, and shall be deemed to be followed by the words "without limitation"; (8) unless otherwise specified, the words "herein," "hereof," and "hereto" refer to the Plan in its entirety rather than to a particular portion of the Plan; (9) subject to the provisions of any contract, certificate of incorporation, bylaw, instrument, release, or other agreement or document entered into in connection with the Plan, the rights and obligations arising pursuant to the Plan shall be governed by, and construed and enforced in accordance with, applicable federal law, including the Bankruptcy Code and the Bankruptcy Rules, or, if no rule of law or procedure is supplied by federal law (including the Bankruptcy Code and the Bankruptcy Rules) or otherwise specifically stated, the laws of the State of New York, without giving effect to the principles of conflict of laws; (10) captions and headings to Articles are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan; (11) unless otherwise specified herein, the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; (12) all references to docket numbers of documents Filed in the Chapter 11 Cases are references to the docket numbers under the Bankruptcy Court's CM/ECF system; (13) all references to statutes, regulations, orders, rules of courts, and the like shall mean as amended from time to time, and as applicable to the Chapter 11 Cases, unless otherwise stated; (14) any effectuating provisions may be interpreted by the Debtors or Reorganized Debtors in such a manner that is consistent with the overall purpose and intent of the Plan all without further notice to or action, order, or approval of the Bankruptcy Court or any other Entity, and such interpretation shall be conclusive; (15) any references herein to the Effective Date shall mean the Effective Date or as soon as reasonably practicable thereafter; (16) all references herein to consent, acceptance, or approval shall be deemed to include the requirement that such consent, acceptance, or approval be evidenced by a writing, which may be conveyed by counsel for the respective parties that have such consent, acceptance, or approval rights, including by electronic mail; (17) any term used in capitalized form herein that is not otherwise defined but that is used in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be; (18) references to "shareholders," "directors," and/or "officers" shall also include "members" and/or "managers," as applicable, as such terms are defined under the applicable state limited liability company laws; and (19) except as otherwise specifically provided in the Plan to the contrary, references in the Plan to the Debtors or the Reorganized Debtors shall mean the Debtors and the Reorganized Debtors, as applicable, to the extent the context requires.

C. Computation of Time

Unless otherwise specifically stated herein, the provisions of Bankruptcy Rule 9006(a) shall apply in computing any period of time prescribed or allowed herein. If the date on which a transaction may occur pursuant to the Plan shall occur on a day that is not a Business Day, then such transaction shall instead occur on the next succeeding Business Day.

THIS IS EXHIBIT "J" REFERRED TO IN THE AFFIDAVIT OF MARC PFEFFERLE SWORN ON AUGUST 2, 2019.

ROBERT E COLAPIETRO
Notary Public
Connecticut
My Commission Expires Feb 28, 2022

BUSINESS CLASSIFIED

TO PLACE AN AD CALL: 1-866-999-9237 EMAIL: ADVERTISING@GLOBEANDMAIL.COM

COMMERCIAL REAL ESTATE

TENDERS

OFFERS INVITED

3886727 Canada Inc., carrying on business as Holistic Blend (the "Company")

Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) made on June 12, 2019, KSV Kofman Inc. was appointed the receiver and manager ("Receiver") of the property, assets and undertaking ("Assets") of the Company. The Receiver is inviting offers for the Assets of the Company.

Located in Mississauga, Ontario, the Company has carried on business as a manufacturer and distributor of natural organic pet food and pet health care products for over 25 years. The Company imported, packaged and distributed products under the brands *Holistic Blend* and *My Healthy Pet*.

Details concerning the bidding process and bidding procedures can be obtained by contacting the Receiver or by visiting www.ksvadvisory.com. The deadline for the submission of offers is August 19, 2019, at 4:00 p.m. (EST).

Parties interested in this opportunity should contact Jonathan Joffe of the Receiver's office at (416) 932-6253 or jjoffe@ksvadvisory.com.

KSV KOFMAN INC.
LICENSED INSOLVENCY TRUSTEE
150 King Street West, Suite 2308
Toronto, Ontario M5H 1J9

LEGALS

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re: HOLLANDER SLEEP PRODUCTS, LLC, *et al.*,[1] Debtors.) Chapter 11) Case No. 19-11608 (MEW)) (Jointly Administered)

NOTICE OF HEARING TO CONSIDER CONFIRMATION OF THE CHAPTER 11 PLAN FILED BY THE DEBTORS AND RELATED VOTING AND OBJECTION DEADLINES

PLEASE TAKE NOTICE that on July 25, 2019, the United States Bankruptcy Court for the Southern District of New York (the "Court") entered an order [Docket No. 247] (the "Disclosure Statement Order"), (a) authorizing Hollander Sleep Products, LLC and its affiliated debtors and debtors in possession (collectively, the "Debtors"), to solicit acceptances for the *Debtors' First Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 248] (as modified, amended, or supplemented from time to time, the "Plan"); (b) approving the *Disclosure Statement for the Debtors' First Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 249] (as modified, amended, or supplemented from time to time, the "Disclosure Statement")[2] as containing "adequate information" pursuant to section 1125 of the Bankruptcy Code; (c) approving the solicitation materials and documents to be included in the solicitation packages; and (d) approving procedures for soliciting, receiving, and tabulating votes on the Plan and for filing objections to the Plan.

PLEASE TAKE FURTHER NOTICE that the hearing at which the Court will consider Confirmation of the Plan (the "Confirmation Hearing") will commence on **September 4, 2019, at 11:00 a.m., prevailing Eastern Time**, before the Honorable Michael E. Wiles, in the United States Bankruptcy Court for the Southern District of New York, located at One Bowling Green, New York, New York 10004-1408.

Please be advised: The Confirmation Hearing may be continued from time to time by the Court or the Debtors without further notice other than by such adjournment being announced in open court, by agenda filed with the Court, or by a notice of adjournment filed with the Court and served on all parties entitled to notice.

CRITICAL INFORMATION REGARDING VOTING ON THE PLAN

Voting Record Date. The voting record date is **July 29, 2019** (the "Voting Record Date"), which is the date for determining which Holders of Claims in Classes 4 and 5 are entitled to vote on the Plan.

Voting Deadline. The deadline for voting on the Plan is on **August 28, 2019, at 4:00 p.m., prevailing Eastern Time** (the "Voting Deadline"). If you received a Solicitation Package, including a Ballot, and intend to vote on the Plan, you must: (a) follow the instructions carefully; (b) complete all of the required information on the Ballot; and (c) execute and return your completed Ballot according to and as set forth in detail in the voting instructions so that it is actually received by the Debtors' solicitation agent, Omni Management Group (the "Solicitation Agent") on or before the Voting Deadline. **A failure to follow such instructions may disqualify your vote.**

CRITICAL INFORMATION REGARDING OBJECTING TO THE PLAN

Article VIII of the Plan contains Release, Exculpation, and Injunction provisions, and Article VIII.D contains a Third-Party Release. Thus, you are advised to review and consider the Plan carefully because your rights might be affected thereunder.

Plan Objection Deadline. The deadline for filing objections to the Plan is **August 28, 2019, at 4:00 p.m., prevailing Eastern Time** (the "Plan Objection Deadline"). All objections to the relief sought at the Confirmation Hearing must: (a) be in writing; (b) conform to the Bankruptcy Rules, the Local Rules, and any orders of the Court; (c) state, with particularity, the legal and factual basis for the objection and, if practicable, a proposed modification to the Plan (or related materials) that would resolve such objection; (d) be filed with the Court (contemporaneously with a proof of service) and so as to be actually received on or before **August 28, 2019, at 4:00 p.m., prevailing Eastern Time**; and (e) be served so that it is actually received by the Plan Objection Deadline by each of the entities on the Master Service List (as defined in the case management order in these chapter 11 cases [Docket No. 184] and available on the Debtors' case website at www.omnimgt.com/hollander).

ADDITIONAL INFORMATION

Obtaining Solicitation Materials. The materials in the Solicitation Package are intended to be self-explanatory. If you should have any questions or if you would like to obtain additional solicitation materials (or paper copies of solicitation materials if you received a flash drive or CD-ROM), please feel free to contact the Debtors' Solicitation Agent, by: (a) calling the Debtors' restructuring hotline at (844) 212-9942 within the United States or Canada or, outside of the United States or Canada, by calling +1 (818) 906-8300; (b) visiting the Debtors' restructuring website at: www.omnimgt.com/hollander; and/or (c) writing to Hollander Sleep Products, LLC, Ballot Processing, c/o Omni Management Group, 5955 DeSoto Avenue, Suite #100, Woodland Hills, CA 91367. You may also obtain copies of any pleadings filed in these Chapter 11 Cases for a fee via PACER at: http://www.nysb.uscourts.gov. Please be advised that the Solicitation Agent is authorized to answer questions about, and provide additional copies of, solicitation materials, but may not advise you as to whether you should vote to accept or reject the Plan.

Filing the Plan Supplement. The Debtors will file the Plan Supplement (as defined in the Plan) 14 days before the first day of the Confirmation Hearing. Once filed, the Plan Supplement may be obtained from the Solicitation Agent for free or for a fee via PACER, each as set forth above.

Binding Nature of the Plan: If confirmed, the Plan shall bind all Holders of Claims and Interests to the maximum extent permitted by applicable law, whether or not such Holder will receive or retain any property or interest in property under the Plan, has filed a Proof of Claim in these chapter 11 cases, or failed to vote to accept or reject the Plan or voted to reject the Plan.

HOW TO OPT INTO THE RELEASES

Any Holder of a Claim or Interest that wants to grant the Third-Party Release set forth in Article VIII.D of the Plan must return its Ballot or Non-Voting Status Notice, as applicable, to the Debtors' Solicitation Agent, Omni Management Group, by no later than **August 28, 2019**, by following the instructions for electing to opt into the Third-Party Release set forth in such Ballot or Non-Voting Status Notice, as applicable.[3]

RELEASES

Article VIII.C of the Plan contains the following Debtor Release: Effective as of the Effective Date, pursuant to section 1123(b) of the Bankruptcy Code, for good and valuable consideration, including the service of the Released Parties in facilitating the expeditious reorganization of the Debtor and implementation of the restructuring contemplated by the Plan, the adequacy of which is hereby confirmed, on and after the Effective Date each Released Party is deemed released and discharged by each and all of the Debtors, the Reorganized Debtors, and their Estates, in each case on behalf of themselves and their respective successors, assigns, and representatives, and any and all other Entities who may purport to assert any Cause of Action, directly or derivatively, by, through, for, or because of the foregoing Entities, from any and all Claims, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, including any derivative claims, asserted or assertable on behalf of any of the Debtors, the Reorganized Debtors, or their Estates, as applicable, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, that the Debtors, the Reorganized Debtors, or their Estates or Affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim against, or Interest in, a Debtor or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions, the Restructuring Transactions, the Sale Transaction (if applicable), entry into the Exit Facilities, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, filing, or consummation of the RSA, the Disclosure Statement, the Prepetition Facilities, the DIP Facilities, the Sale Transaction (if applicable), the Exit Facilities, the Plan, the Plan Supplement, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the RSA, the Disclosure Statement, the Prepetition Facilities, the DIP Facilities, or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, other than claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes actual fraud, willful misconduct, or gross negligence, each solely to the extent as determined by a Final Order of a court of competent jurisdiction. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release (1) any post-Effective Date obligations of any party or Entity under the Plan, any Restructuring Transaction, or any document, instrument, or agreement (including the Exit Facility Documents and any documents set forth in the Plan Supplement) executed to implement the Plan and (2) any Causes of Action listed on the Schedule of Retained Causes of Action.

Article VIII.D of the Plan contains the following Third-Party Release: Effective as of the Effective Date, in exchange for good and valuable consideration, including the obligations of the Debtors under the Plan and the contributions of the Released Parties in facilitating the expeditious reorganization of the Debtors and the implementation of the restructuring contemplated by the Plan, to the fullest extent permissible under applicable law, as such law may be extended or integrated after the Effective Date, on and after the Effective Date each of the Releasing Parties shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever, released and discharged each Debtor, Reorganized Debtor, and Released Party from any and all Claims, interests, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, including any derivative claims, asserted or assertable on behalf of any of the Debtors, the Reorganized Debtors, or their Estates, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions, the Restructuring Transactions, the Sale Transaction (if applicable), entry into the Exit Facilities, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, filing, or consummation of the RSA, the Disclosure Statement, the DIP Facilities, the Sale Transaction (if applicable), the Exit Facilities, the Plan, the Plan Supplement, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the RSA, the Disclosure Statement, the Prepetition Facilities, the DIP Facilities, or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, other than claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes actual fraud, willful misconduct, or gross negligence, each solely to the extent as determined by a Final Order of a court of competent jurisdiction. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release any post-Effective Date obligations of any party or Entity under the Plan, any Restructuring Transaction, or any document, instrument, or agreement (including the Exit Facility Documents and any documents set forth in the Plan Supplement) executed to implement the Plan.

Article VIII.E of the Plan provides for the following Exculpation: Effective as of the Effective Date, to the fullest extent permissible under applicable law and without affecting or limiting either the Debtor Release or the Third-Party Release, and except as otherwise specifically provided in the Plan, no Exculpated Party shall have or incur, and each Exculpated Party is hereby exculpated from, any Cause of Action for any Claim related to any act or omission based on the negotiation, execution, and implementation of any transactions approved by the Bankruptcy Court in the Chapter 11 Cases, including the RSA, the Disclosure Statement, the Plan, the Plan Supplement, the Confirmation Order, or any Restructuring Transaction, contract, instrument, release, or other agreement or document contemplated by the Plan or the reliance by any Exculpated Party on the Plan or the Confirmation Order, created or entered into in connection with the RSA, the Disclosure Statement, or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance of any securities pursuant to the Plan or the distribution of property under the Plan or any other related agreement, and the implementation of the Restructuring Transactions contemplated by the Plan, except for Claims related to any act or omission that is determined by Final Order to have constituted actual fraud, willful misconduct, or gross negligence, but in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan. The Exculpated Parties have, and upon completion of the Plan shall be deemed to have, participated in good faith and in compliance with the applicable laws with regard to the solicitation of votes on, and distribution of consideration pursuant to, the Plan and, therefore, are not, and on account of such distributions shall not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan. Notwithstanding the foregoing, the exculpation shall not release any obligation or liability of any Entity for any post-Effective Date obligation under the Plan or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan.

Article VIII.F of the Plan provides for the following Injunction: Effective as of the Effective Date, pursuant to section 524(a) of the Bankruptcy Code, to the fullest extent permissible under applicable law, and except as otherwise expressly provided in the Plan or for obligations issued or required to be paid pursuant to the Plan or the Confirmation Order, all Entities who have held, hold, or may hold Claims or Interests that have been discharged pursuant to Article VIII.A of the Plan, released pursuant to the Debtor Release, the Third-Party Release, or another provision of the Plan (including the release of liens pursuant to Article VIII.B of the Plan), or are subject to exculpation pursuant to Article VIII.E of the Plan, are permanently enjoined, from and after the Effective Date, from taking any of the following actions against, as applicable, the Debtors, the Reorganized Debtors, the Exculpated Parties, or the Released Parties: (1) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests; (2) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against such Entities on account of or in connection with or with respect to any such Claims or Interests; (3) creating, perfecting, or enforcing any encumbrance of any kind against such Entities or the property or the estates of such Entities on account of or in connection with or with respect to any such Claims or Interests; (4) asserting any right of setoff, subrogation, or recoupment of any kind, against any obligation due from such Entities or against the property of such Entities on account of or in connection with or with respect to any such Claims or Interests unless such Holder has Filed a motion requesting the right to perform such setoff on or before the Effective Date, and notwithstanding an indication of a Claim or Interest or otherwise that such Holder asserts, has, or intends to preserve any right of setoff pursuant to applicable law or otherwise; and (5) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests released or settled pursuant to the Plan.

New York, New York, Dated: July 30, 2019

/s/ Joshua A. Sussberg, P.C.

Joshua A. Sussberg, P.C., Christopher T. Greco, P.C., **KIRKLAND & ELLIS LLP, KIRKLAND & ELLIS INTERNATIONAL LLP,** 601 Lexington Avenue, New York, New York 10022, Telephone: (212) 446-4800, Facsimile: (212) 446-4900 -and- Joseph M. Graham (admitted *pro hac vice*), **KIRKLAND & ELLIS LLP, KIRKLAND & ELLIS INTERNATIONAL LLP,** 300 North LaSalle Street, Chicago, Illinois 60654, Telephone: (312) 862-2000, Facsimile: (312) 862-2200, *Counsel to the Debtors and Debtors in Possession*

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors' service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

[2] Capitalized terms not otherwise defined herein shall have the same meanings set forth in the Plan or Disclosure Statement, as applicable.

[3] Voting stakeholders who vote to accept the Plan will be deemed to consent to the Third-Party Release whether such voting stakeholders check the box on their respective Ballot to "opt into" the Third-Party Release or not.

DIVIDENDS

GENWORTH MI CANADA INC.

Dividend Notice

The Board of Directors of Genworth MI Canada Inc. have declared a quarterly dividend of $0.51 per common share payable August 28, 2019 to shareholders of record at the close of business on August 14, 2019.

LEGALS

CLASS ACTION REGARDING PHILIP HEEREMA, THE CALGARY EXHIBITION AND STAMPEDE LIMITED, AND THE CALGARY STAMPEDE FOUNDATION

NOTICE OF CERTIFICATION

What is the Class Action about?

A lawsuit has been certified as a Class Action against Philip Heerema, Calgary Exhibition and Stampede Limited, and the Calgary Stampede Foundation.

The lawsuit alleges that the Class Members who were male students, employees, contractors, or volunteers with the Young Canadians organization of the Calgary Stampede Foundation and/or the Calgary Exhibition and Stampede Limited were sexually exploited, sexually lured, and / or sexually assaulted by Philip Heerema, or at risk. The lawsuit also alleges that the Calgary Stampede Foundation and the Calgary Exhibition and Stampede Limited failed to provide a safe and secure environment free of sexual exploitation and sexual abuse. Further, the lawsuit alleges that the Calgary Stampede Foundation and the Calgary Exhibition and Stampede Limited failed to adequately supervise Philip Heerema and failed to establish, implement, or enforce adequate policies, practices, or procedures to protect Class Members against sexual abuse or exploitation from staff and faculty of the Calgary Stampede Foundation and the Calgary Exhibition and Stampede Limited. The lawsuit alleges that the Calgary Stampede Foundation and the Calgary Exhibition and Stampede Limited are vicarious liable for Philip Heerema's actions.

The Representative Plaintiff, who can only be identified by his initials in accordance with a Court Order, is N.B. In this lawsuit the Representative Plaintiff is seeking damages on his own behalf and on behalf of everyone who was a male student, employee, contractor, or volunteer with the Young Canadians organization of the Calgary Stampede Foundation and the Calgary Exhibition and Stampede Limited and who was sexually exploited, sexually lured, and / or sexually assaulted by Philip Heerema, or at risk.

How do I know if I am a member of the Class?

The Class has been defined by the Court as follows:

All male students, employees, contractors or volunteers of the Young Canadians between July 1, 1997 and January 31, 2014.

If you were a male student, employee, contractor, or volunteer with the Young Canadians organization, during the time that Philip Heerema was employed there, then you are likely a Class Member.

If you are not sure whether you are a member of the Class or not, or if you would be entitled to damages should the Defendants be found responsible and required to pay damages, then you should speak to Class Counsel, whose address is set out below.

How do I participate in this Class Action?

Class Members who wish to participate in the Class Action do not need to do anything at this time. They are automatically included in the Class Action.

Class Members who wish to participate are also encouraged to contact Jensen Shawa Solomon Duguid Hawkes LLP ("Class Counsel") at:

Kajal Ervin / Cassandra Sutter
Jensen Shawa Solomon Duguid Hawkes LLP
#800, 304 – 8 Avenue SW
Calgary, Alberta T2P 1C2
(403) 571-1520
classactions@jssbarristers.ca

What if I do not want to participate in the Class Action?

Any Class Member who wishes to opt out of the Class Action must do so by sending a written opt out form, signed by the Class Member, stating that he opts out of the Class Action. The written opt out form can be obtained from Class Counsel, and must be sent by prepaid mail, courier, or e-mail to Class Counsel at the address above.

The written opt-out form must be received by Class Counsel no later than October 20, 2019

Class Members may be permitted to opt out of the Class Action after October 20, 2019 and prior to approval of settlement, if applicable, upon further order of the Court. If you opt-out of the Class Action, you will take full responsibility for initiating your own lawsuit against the Defendants and for taking all legal steps necessary to protect your claim, if you wish to proceed with a claim.

What are the costs to me?

Class Members will not be personally liable to pay any legal fees or disbursements to Class Counsel.

If Class Counsel is successful in establishing that the Defendants are liable to pay money to the Class Members, the Court will then proceed to determine which Class Members may be entitled to that money, and how such amounts should be distributed to those Class Members.

The Representative Plaintiff has retained Class Counsel to represent him and the Class in this lawsuit. Class Counsel will only be paid legal fees if the lawsuit is successful. If the lawsuit is successful, Class Counsel will request that legal fees be set by the Court.

If the Class Action is successful, legal costs will be deducted from the amounts recovered for the Class Members, but only after such costs are approved by the Court.

How do I find out more about this Class Action?

Questions about the matters in this Notice must not be directed to the Court. The Certification Order and other information with respect to this Class Action can be obtained at the following website: www.jssbarristers.ca/pages/class-actions/class-actions.cfm

In addition, questions for Class Counsel should be directed by mail, e-mail, or telephone to:

Kajal Ervin / Cassandra Sutter
Jensen Shawa Solomon Duguid Hawkes LLP
#800, 304 – 8 Avenue SW
Calgary, Alberta T2P 1C2
(403) 571-1520
classactions@jssbarristers.ca

TAB 3

Court File No. CV-19-620484-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. C-36, AS AMENDED

AND IN THE MATTER OF HOLLANDER SLEEP PRODUCTS LLC, HOLLANDER SLEEP PRODUCTS CANADA LIMITED, DREAM II HOLDINGS, LLC, HOLLANDER HOME FASHIONS HOLDINGS, LLC, PACIFIC COAST FEATHER, LLC, HOLLANDER SLEEP PRODUCTS KENTUCKY, LLC, AND PACIFIC COAST FEATHER CUSHION, LLC

APPLICATION OF HOLLANDER SLEEP PRODUCTS LLC UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED.

APPLICANT

AFFIDAVIT OF EVAN BARZ

(Sworn August 2, 2019)

I, Evan Barz, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am an associate lawyer with the law firm of Osler, Hoskin & Harcourt LLP, counsel to Hollander Sleep Products, LLC (the "**Foreign Representative**") in its capacity as foreign representative of Hollander Sleep Products Canada Limited, Dream II Holdings, LLC, Hollander Home Fashions Holdings, LLC, Pacific Coast Feather, LLC, Hollander Sleep Products Kentucky, LLC and Pacific Coast Feather Cushion, LLC., that have filed voluntary petitions for relief

pursuant to Chapter 11 of the U.S. Bankruptcy Code with the United States Bankruptcy Court for the Southern District of New York (the "**U.S. Court**"). As such I have personal knowledge of the matters deposed to in this affidavit, except where indicated otherwise.

2. I swear this Affidavit in support of a motion by the Foreign Representative for an Order of the Ontario Superior Court of Justice (Commercial List) (the "**Ontario Court**") recognizing and enforcing the following Orders recently entered (or, in the case of the KERP Order, approved and expected to be entered prior to the hearing of this motion) by the U.S. Court: (i) the Disclosure Statement Order, (ii) the KERP Order, (iii) the Houlihan Lokey Retention Order, (iv) the Houlihan Lokey Additional Services Order, and (v) the Final DIP Term Order (all as defined below).

A. The U.S. Orders

3. On July 10, July 19, July 25 and August 1, 2019, the U.S. Court entered (or, in the case of the KERP Order, approved and expected to be entered prior to the hearing of this motion) the following Orders, which the Foreign Representative is seeking to have recognized through this motion by the Ontario Court:

(a) *Order (I) Approving (A) The Adequacy of Information in the Disclosure Statement, (B) Solicitation and Notice Procedures, and (C) Certain Dates with Respect to Plan Confirmation, and (II) Granting Related Relief* ("**Disclosure Statement Order**"). A copy of the Motion filed in support of the Disclosure Statement Order is attached hereto as Exhibit "A" and a copy of the Disclosure Statement Order is attached hereto as Exhibit "B".

(b) *Order (A) Approving the Debtors' Key Employee Retention Plans and (B) Granting Related Relief* ("**KERP Order**"). A copy of the Motion filed in support of the

KERP Order is attached hereto as Exhibit "C" and a copy of the draft KERP Order is attached hereto as Exhibit "D".

(c) *Order (A) Authorizing the Employment and Retention of Houlihan Lokey Capital, Inc. as Financial Advisor and Investment Banker to the Debtors Nunc Pro Tunc to the Petition Date, (B) Approving the Terms of the Engagement Agreement, (C) Waiving Certain Time-Keeping Requirements, and (D) Granting Related Relief* ("**Houlihan Lokey Retention Order**"). A copy of the motion filed in support of the Houlihan Lokey Retention Order is attached hereto as Exhibit "E" and a copy of the Houlihan Lokey Retention Order is attached hereto as Exhibit "F".

(d) *Order Authorizing Additional Services of Houlihan Lokey Capital Inc. Pursuant to Order (A) Authorizing the Employment and Retention of Houlihan Lokey Capital, Inc. as Financial Advisor and Investment Banker to the Debtors Nunc Pro Tunc to the Petition Date, (B) Approving the Terms of the Engagement Agreement, (C) Waiving Certain Time-Keeping Requirements, and (D) Granting Related Relief* ("**Houlihan Lokey Additional Services Order**"). A copy of the Houlihan Lokey Additional Services Order is attached hereto as Exhibit "G".

(e) *Final Order with Respect to DIP Term Loan Secured Parties and Prepetition Term Loan Secured Parties (A) Authorizing the Debtors to Obtain Postpetition Financing, (B) Authorizing the Debtors to Use Cash Collateral, (C) Granting Liens and Providing Superpriority Administrative Expense Status, (D) Granting Adequate Protection to the Prepetition Term Loan Secured Parties, (E) Modifying the Automatic Stay, and (F) Granting Related Relief* ("**Final DIP Term Order**"). A copy of the Final DIP Term Order is attached hereto as Exhibit "H".

4. I make this affidavit in support of the within Motion and for no other improper purpose.

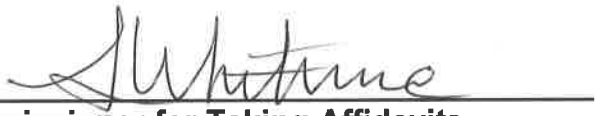
SWORN BEFORE ME at the City of Toronto, in the Province of Ontario on August 2, 2019.

Commissioner for Taking Affidavits

Seth Whitmore

EVAN BARZ

THIS IS EXHIBIT "A" REFERRED TO IN THE AFFIDAVIT OF EVAN BARZ SWORN ON AUGUST 2, 2019.



Commissioner for Taking Affidavits

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Facsimile: (312) 862-2200

Proposed Counsel to the Debtors and Debtors in Possession

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
HOLLANDER SLEEP PRODUCTS, LLC, *et al.*,[1]	)	Case No. 19-11608 (MEW)
Debtors.	)	(Jointly Administered)

NOTICE OF DEBTORS' MOTION FOR ENTRY OF AN ORDER (I) APPROVING (A) THE ADEQUACY OF INFORMATION IN THE DISCLOSURE STATEMENT, (B) SOLICITATION AND NOTICE PROCEDURES, AND (C) CERTAIN DATES WITH RESPECT TO PLAN CONFIRMATION, AND (II) GRANTING RELATED RELIEF

PLEASE TAKE NOTICE that a hearing on the *Debtors' Motion for Entry of an Order (I) Approving (A) the Adequacy of Information in the Disclosure Statement, (B) Solicitation and Notice Procedures, and (C) Certain Dates With Respect To Plan Confirmation, and (II) Granting Related Relief* (the "Motion") will be held before the Honorable Michael E. Wiles, United States Bankruptcy Judge, United States Bankruptcy Court for the Southern District of New York

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors' service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

(the "Court"), One Bowling Green, Courtroom No. 617, New York, New York 10004-1408, on **July 24, 2019, at 12:00 p.m., prevailing Eastern Time**.

PLEASE TAKE FURTHER NOTICE that any responses or objections to the relief requested in the Motion shall: (a) be in writing; (b) conform to the Federal Rules of Bankruptcy Procedure, the Local Bankruptcy Rules for the Southern District of New York, all General Orders applicable to chapter 11 cases in the United States Bankruptcy Court for the Southern District of New York; (c) be filed electronically with the Court on the docket of *In re Hollander Sleep Products, LLC*, Case 19-11608 (MEW) by registered users of the Court's electronic filing system and in accordance with the General Order M-399 (which is available on the Court's website at http://www.nysb.uscourts.gov); and (d) be served so as to be actually received by **July 17, 2019, at 4:00 p.m., prevailing Eastern Time**, by (i) the entities on the Master Service List (available on the Debtors' case website at https://omnimgt.com/hollander) and (ii) any person or entity with a particularized interest in the subject matter of the Motion.

PLEASE TAKE FURTHER NOTICE that only those responses that are timely filed, served, and received will be considered at the hearing. Failure to file a timely objection may result in entry of a final order granting the Motion as requested by the Debtors.

New York, New York
Dated: June 19, 2019

/s/ Joshua A. Sussberg, P.C.

Joshua A. Sussberg, P.C.
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- and -

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Proposed Counsel to the Debtors and Debtors in Possession

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
HOLLANDER SLEEP PRODUCTS, LLC, *et al.*,[1]	)	Case No. 19-11608 (MEW)
Debtors.	)	(Jointly Administered)

DEBTORS' MOTION FOR ENTRY OF AN ORDER (I) APPROVING (A) THE ADEQUACY OF INFORMATION IN THE DISCLOSURE STATEMENT, (B) SOLICITATION AND NOTICE PROCEDURES, AND (C) CERTAIN DATES WITH RESPECT TO PLAN CONFIRMATION, AND (II) GRANTING RELATED RELIEF

The above-captioned debtors and debtors in possession (collectively, the "Debtors") respectfully state as follows in support of this motion:

Relief Requested

1. By this motion, the Debtors seek entry of an order, substantially in the form attached hereto as **Exhibit A**, (a) approving the Disclosure Statement[2] as containing "adequate

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors' service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

[2] Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the *Debtors' Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 21] (as may be amended, supplemented, or modified from time to time, the "Plan") or the *Disclosure Statement for the Debtors'*

information" pursuant to section 1125 of the Bankruptcy Code, (b) approving the procedures and related exhibits (the "Solicitation and Voting Procedures"), substantially in the form attached as **Exhibit 1** to **Exhibit A**, for (i) soliciting, receiving, and tabulating votes to accept or reject the Plan, (ii) voting to accept or reject the Plan, and (iii) filing objections to the Plan, (c) approving the confirmation schedule set forth herein, and (d) granting related relief.

Introduction

2. The Debtors commenced these chapter 11 cases to implement a restructuring supported by 100 percent of their secured term loan lenders and majority equityholder Sentinel Partners, LLC, which support has been documented in a restructuring support agreement (the "RSA"). The Plan provides for two potential paths. The first path is a reorganization, which will eliminate $166.5 million of the Debtors' prepetition funded debt obligations and provides new money capital to fund the Debtors' go-forward operations. The second path is a sale "toggle" feature, which allows for a potential sale of the Debtors' assets (or combination of sales) to a third party, which sale would be accomplished through the Plan. Thus, in all circumstances, and as contemplated in the RSA, the term loan lenders have agreed to support confirmation of the Plan. The Debtors believe that pursuing both paths will allow the Debtors to maximize the value of their assets, permit their business operations to continue as a going concern, and expeditiously distribute value to their stakeholders, and, therefore, intend to solicit acceptances of the Plan. By this motion, the Debtors are seeking the Court's approval of the Disclosure Statement.

3. The Plan contemplates classifying Holders of Claims and Interests into certain Classes of Claims and Interests for all purposes, including with respect to voting on the Plan,

Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code (as may be amended, supplemented or modified from time to time, the "Disclosure Statement"), filed concurrently herewith, as applicable.

pursuant to section 1126 of the Bankruptcy Code. The following chart represents the Classes of Claims and Interests under the Plan:[3]

Class	Claim/Interest	Status	Voting Rights
1	Other Priority Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
2	Other Secured Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
3	Secured Tax Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
4	Term Loan Claims	Impaired	Entitled to Vote
5	General Unsecured Claims	Impaired	Entitled to Vote
6	Hollander Canada General Unsecured Claims	Impaired	Entitled to Vote
7	Intercompany Claims	Impaired or Unimpaired	Not Entitled to Vote (Deemed to Accept or Reject)
8	Intercompany Interests	Impaired or Unimpaired	Not Entitled to Vote (Deemed to Accept or Reject)
9	Interests in Dream II	Impaired	Not Entitled to Vote (Deemed to Reject)
10	Section 510(b) Claims	Impaired	Not Entitled to Vote (Deemed to Reject)

4. Based on the foregoing (and as discussed in greater detail herein), the Debtors are proposing to solicit votes to accept or reject the Plan from Holders of Claims in Classes 4, 5, and 6 (collectively, the "Voting Classes"). The Debtors are not proposing to solicit votes from Holders of Claims and Interests in Classes 1, 2, 3, 7, 8, 9, and 10 (collectively, the "Non-Voting Classes").

5. On the Petition Date, the Debtors filed the *Debtors' Motion Seeking Entry of an Order (I) Approving Bidding Procedures and Related Dates and Deadlines, (II) Scheduling*

[3] As set forth in more detail in the Plan, the Plan will apply as a separate Plan for each of the Debtors, and the classification of Claims and Interests set forth in the Plan will apply separately to each of the Debtors. Certain of the Debtors may not have Holders of Claims or Interests in a particular Class or Classes. For all purposes under the Plan, each Class will contain sub-classes for each of the Debtors, except that Class 6 shall be vacant at each Debtor other than Hollander Sleep Products Canada Limited and Class 8 shall be vacant at each Debtor other than Dream II Holdings, LLC.

Hearings and Objection Deadlines with Respect to the Debtors' Disclosure Statement and Plan Confirmation, and (III) Granting Related Relief [Docket No. 22] (the "Bidding Procedures and Scheduling Motion"), as modified after discussions with creditors, which proposes that the following dates and deadlines be scheduled in connection with the approval of the Disclosure Statement and confirmation of the Plan:

Event	Date
Disclosure Statement Objection Deadline	July 17, 2019, at 4:00 p.m., prevailing Eastern Time
Disclosure Statement Hearing	July 24, 2019, at 12:00 p.m., prevailing Eastern Time
Solicitation Deadline	July 31, 2019
Voting Deadline	August 28, 2019, at 4:00 p.m., prevailing Eastern Time
Plan Objection Deadline	August 28, 2019, at 4:00 p.m., prevailing Eastern Time
Confirmation Hearing Date	September 4, 2019, at 9:00 a.m., prevailing Eastern Time

6. By this motion, the Debtors seek to establish the following dates and deadlines in addition to those previously requested by the Debtors pursuant to the Bidding Procedures and Scheduling Motion (together, the "Solicitation Timeline") in accordance with the requirements of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules (each as defined herein) to govern the process for soliciting, receiving, and tabulating votes on the Plan:[4]

Item	Date
Voting Record Date	July 24, 2019
Confirmation Brief and Reply Deadline	September 3, 2019, at 9:00 a.m., prevailing Eastern Time
Deadline to File Voting Report	September 3, 2019, at 4:00 p.m., prevailing Eastern Time

[4] Capitalized terms used in this chart shall have the meanings ascribed to them later herein.

7. The Debtors submit that the proposed Solicitation Timeline, as further detailed below, will afford the Court, the Debtors, and all parties in interest reasonable time to review and consider the Plan and Disclosure Statement prior to the Confirmation Hearing.

Jurisdiction and Venue

8. The United States Bankruptcy Court for the Southern District of New York (the "Court") has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the Southern District of New York*, dated January 31, 2012. The Debtors confirm their consent, pursuant to Rule 7008 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), to the entry of a final order by the Court in connection with this motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

9. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

10. The bases for the relief requested herein are sections 1125 and 1126 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the "Bankruptcy Code"), Bankruptcy Rules 2002, 3016, 3017, 3018, and 3020, and Rules 3017-1, 3018-1, and 3020-1 of the Local Bankruptcy Rules for the Southern District of New York (the "Local Rules").

Basis for Relief

I. The Court Should Approve the Disclosure Statement.

A. The Disclosure Statement Contains Adequate Information.

11. Pursuant to section 1125 of the Bankruptcy Code, the proponent of a proposed chapter 11 plan must provide "adequate information" regarding that plan to holders of impaired

claims and interests entitled to vote on the plan. 11 U.S.C. § 1125. Specifically, section 1125(a)(1) of the Bankruptcy Code states, in relevant part, as follows:

> "[A]dequate information" means information of a kind, and in sufficient detail, as far as is reasonably practicable in light of the nature and history of the debtor and the condition of the debtor's books and records, including a discussion of the potential material Federal tax consequences of the plan to the debtor, any successor to the debtor, and a hypothetical investor typical of the holders of claims or interests in the case, that would enable such a hypothetical investor of the relevant class to make an informed judgment about the plan.

11 U.S.C. § 1125(a)(1).

12. A disclosure statement must, as a whole, provide information that is "reasonably practicable" to permit an "informed judgment" by creditors and interest holders, if applicable, to vote on a plan. *See In re Momentum Mfg. Corp.*, 25 F.3d 1132, 1136 (2d Cir. 1994); *see also In re Ionosphere Clubs, Inc.*, 179 B.R. 24, 29 (Bankr. S.D.N.Y. 1995) (adequacy of a disclosure statement "is to be determined on a case-specific basis under a flexible standard that can promote the chapter 11 policy of fair settlement through a negotiation process between informed interested parties" (internal citation omitted)). "Adequate information" is a flexible standard, based on the facts and circumstances of each case. 11 U.S.C. § 1125(a)(1) ("'[A]dequate information' means information of a kind, and in sufficient detail, as far as is reasonably practicable in light of the nature and history of the debtor and the condition of the debtor's books and records"); *see also Oneida Motor Freight, Inc. v. United Jersey Bank*, 848 F.2d 414, 417 (3d Cir. 1988) ("From the legislative history of § 1125 we discern that adequate information will be determined by the facts and circumstances of each case.").

13. In making a determination as to whether a disclosure statement contains adequate information as required by section 1125 of the Bankruptcy Code, courts typically look for disclosures related to topics such as:

a. the events that led to the filing of a bankruptcy petition;

b. the relationship of the debtor with its affiliates;

c. a description of the available assets and their value;

d. the company's anticipated future;

e. the source of information stated in the disclosure statement;

f. the debtors' condition while in chapter 11;

g. claims asserted against the debtor;

h. the estimated return to creditors under a chapter 7 liquidation;

i. the future management of the debtor;

j. the chapter 11 plan or a summary thereof;

k. financial information, valuations, and projections relevant to a creditor's decision to accept or reject the chapter 11 plan;

l. information relevant to the risks posed to creditors under the plan;

m. the actual or projected realizable value from recovery of preferential or otherwise avoidable transfers;

n. litigation likely to arise in a nonbankruptcy context; and

o. tax attributes of the debtor.

See In re U.S. Brass Corp., 194 B.R. 420, 424–25 (Bankr. E.D. Tex. 1996). Despite these case law enumerated topics, "adequate information" is determined on a case-specific basis. *See, e.g.*, *Kirk v. Texaco, Inc.*, 82 B.R. 678, 682 (S.D.N.Y. 1988) ("The legislative history could hardly be more clear in granting broad discretion to bankruptcy judges under § 1125(a): 'Precisely what constitutes adequate information in any particular instance will develop on a case-by-case basis. Courts will take a practical approach as to what is necessary under the circumstances of each case.'" (*quoting* H.R. Rep. No. 595, at 408–09 (1977))).

14. Here, the Disclosure Statement provides "adequate information" to allow Holders of Claims in the Voting Classes to make informed decisions about whether to vote to accept or

reject the Plan. Specifically, the Disclosure Statement contains a number of categories of information that courts consider "adequate information," including:

a. ***The Debtors' Corporate History, Structure, and Business Overview***. A detailed overview of the Debtors' corporate history, business operations, organizational structure, and capital structure is provided in Article IV of the Disclosure Statement;

b. ***Events Leading to the Chapter 11 Filings***. A detailed overview of the Debtors' restructuring efforts and the negotiations with respect to the Plan and RSA (as defined herein) is provided in Article V of the Disclosure Statement;

c. ***Projected Financial Information and Liquidation Analysis***. Certain projected financial information and a liquidation analysis are attached to the Disclosure Statement as **Exhibits D**–**E**, respectively;[5]

d. ***Risk Factors***. Certain risks associated with the Debtors' businesses, as well as certain risks associated with forward-looking statements and an overall disclaimer as to the information provided by and set forth in the Disclosure Statement, are described in Article VIII of the Disclosure Statement;

e. ***Solicitation and Voting Procedures***. A description of the procedures for soliciting votes to accept or reject the Plan and voting on the Plan is provided in Article III of the Disclosure Statement;

f. ***Confirmation of the Plan***. Confirmation procedures and statutory requirements for confirmation and consummation of the Plan are described in Article VII of the Disclosure Statement;

g. ***Certain Securities Laws Matters***. A description of the applicability of section 1145 of the Bankruptcy Code and the issuance of New Interests under the Plan is provided in Article IX of the Disclosure Statement;

h. ***Certain United States and Canadian Federal Income Tax Consequences of the Plan***. A description of certain U.S. and Canadian federal income tax law consequences of the Plan is provided in Article X and Article XI of the Disclosure Statement, respectively; and

i. ***Recommendation***. A recommendation by the Debtors that Holders of Claims in the Voting Classes should vote to accept the Plan is included in Article XII of the Disclosure Statement.

[5] The Debtors intend to file their projected financial information and liquidation analysis in advance of the hearing to approve the adequacy of the Disclosure Statement consistent with numerous cases filed in this district.

15. Based on the foregoing, the Debtors submit that the Disclosure Statement complies with all aspects of section 1125 of the Bankruptcy Code and addresses the information set forth above in a manner that provides adequate information to Holders of Claims entitled to vote to accept or reject the Plan. Accordingly, the Debtors submit that the Disclosure Statement contains "adequate information" and therefore should be approved.

B. The Disclosure Statement Provides Sufficient Notice of Injunction, Exculpation, and Release Provisions in the Plan.

16. Bankruptcy Rule 3016(c) requires that, if a plan provides for an injunction against conduct not otherwise enjoined under the Bankruptcy Code, the plan and disclosure statement must describe, in specific and conspicuous language, the acts to be enjoined and the entities subject to the injunction. Fed. R. Bankr. P. 3016(c).

17. Article VI.D of the Disclosure Statement describes in detail the entities subject to an injunction under the Plan and the acts that they are enjoined from pursuing, including bolding language related to the Debtor Release, Third-Party Release, exculpation, and injunction under the Plan. Further, the relevant language in Article VIII of the Plan is in bold font, making it conspicuous to anyone who reads it. Accordingly, the Debtors respectfully submit that the Disclosure Statement complies with Bankruptcy Rule 3016(c) by conspicuously describing the conduct and parties enjoined by the Plan.

II. The Debtors Provided Adequate Notice of the Disclosure Statement Hearing.

18. Bankruptcy Rule 3017(a) requires that notice of the hearing to consider the proposed disclosure statement be provided to creditors and other parties in interest. *See* Fed. R. Bankr. P. 3017(a) (providing that after a disclosure statement is filed, it must be mailed with the notice of the hearing to consider the disclosure statement and any objections or modifications thereto on no less than 28 days' notice thereof); *see also* Fed. R. Bankr. P. 2002(b) (requiring not

less than 28 days' notice by mail of the time for filing objections and the hearing to consider the approval of a disclosure statement). At least 28 days prior to the objection deadline for this motion, the Debtors served all known creditors with a copy of a notice for the hearing on the Disclosure Statement (the "Disclosure Statement Hearing Notice"). This notice identified (a) the date, time, and place of the hearing on approval of the Disclosure Statement (the "Disclosure Statement Hearing"), (b) the manner in which a copy of the Disclosure Statement (and exhibits thereto, including the Plan) can be obtained, and (c) the deadline and procedures for filing objections to the approval of the Disclosure Statement. Additionally, the Debtors distributed copies of the Disclosure Statement, including exhibits, to parties on the list of all parties required to be notified under Bankruptcy Rule 2002 (the "2002 List"). Accordingly, the Debtors submit that they have provided adequate notice of the hearing on approval of the Disclosure Statement and request that the Court approve such notice as appropriate and in compliance with the requirements of the Bankruptcy Code and the Bankruptcy Rules.

III. The Court Should Approve the Solicitation Materials and Timeline for Soliciting Votes on the Plan.

A. The Court Should Approve the Voting Record Date.

19. Bankruptcy Rule 3017(d) provides that, for the purposes of soliciting votes in connection with the confirmation of a plan, "creditors and equity security holders shall include holders of stocks, bonds, debentures, notes, and other securities of record on the date the order approving the disclosure statement is entered or another date fixed by the court, for cause, after notice and a hearing." Fed. R. Bankr. P. 3017(d). Bankruptcy Rule 3018(a) contains a similar provision regarding determination of the record date for voting purposes. Fed. R. Bankr. P. 3018(a).

20. Accordingly, the Debtors request that the Court exercise its authority under Bankruptcy Rules 3017(d) and 3018(a) to establish July 24, 2019 (the first day of the Disclosure Statement Hearing), as the date for determining (a) Holders of Claims that are entitled to vote on the Plan and (b) whether Claims have been properly transferred, including pursuant to Bankruptcy Rule 3001(e), such that the assignee may vote on the Plan (the "Voting Record Date"). The Debtors propose that, with respect to any transferred Claim, the transferee shall be entitled to receive solicitation materials and documents included in the Solicitation Package (as defined herein) and, if the Holder of such Claim is entitled to vote with respect to the Plan, cast a Ballot (as defined herein) on account of such Claim only if (a) all actions necessary to effectuate the transfer of the Claim pursuant to Bankruptcy Rule 3001(e) have been completed by the Voting Record Date or (b) the transferee files by the Voting Record Date (1) the documentation required by Bankruptcy Rule 3001(e) to evidence the transfer and (2) a sworn statement of the transferor supporting the validity of the transfer. In the event a Claim is transferred after the Voting Record Date, the transferee of such Claim shall be bound by any vote on the Plan made by the Holder of such Claim as of the Voting Record Date.

B. The Court Should Waive the Requirements of Local Rule 3018-1.

21. Local Rule 3018-1(a) requires that a debtor file a voting report (a "Voting Report") that certifies "the amount and number of allowed claims or allowed interests of each class accepting or rejecting the plan and any ballots not counted" at least 7 days before the hearing on confirmation. Local R. Bankr. P. 3018-1(a). The Debtors' debtor-in-possession ("DIP") financing facilities require that, on or before 110 days following the Petition Date, the Court shall have entered an order confirming the Plan, which is September 6, 2019. To comply with the DIP facilities' confirmation milestone, the Debtors are seeking a Confirmation Hearing of September 4, 2019, subject to the Court's availability. Moreover, the Debtors seek to ensure that parties in

interest have sufficient time to review and analyze the Plan and Disclosure Statement and make an informed decision as to whether to vote to accept or reject the Plan or support or object to the Plan. The period from the Solicitation Deadline to the Voting Deadline is 28 days, which is in compliance with the Bankruptcy Rules. But the Voting Deadline is only 7 days before the Confirmation Hearing and the Debtors and their Solicitation Agent will need sufficient time to prepare the Voting Report. Thus, in an effort to balance due process with compliance with the DIP facilities' milestone, the Debtors request a waiver of compliance with Local Rule 3018-1(a) and to set the deadline to file the Voting Report for September 3, 2019, at 4:00 p.m., prevailing Eastern Time.

C. The Court Should Approve the Solicitation and Voting Procedures.

22. Section 1126(c) of the Bankruptcy Code provides that a "class of claims has accepted a plan if such plan has been accepted by creditors . . . that hold at least two-thirds in amount and more than one-half in number of the allowed claims of such class held by creditors . . . that have accepted or rejected the plan." 11 U.S.C. § 1126(c). Additionally, Bankruptcy Rule 3018(c) provides, in part, that "[a]n acceptance or rejection [of a plan] shall be in writing, identify the plan or plans accepted or rejected, be signed by the creditor or equity security holder or an authorized agent and conform to the appropriate Official Form." Fed. R. Bankr. P. 3018(c). Consistent with these requirements, the Debtors propose to use the Solicitation and Voting Procedures.

23. The proposed Solicitation and Voting Procedures include specific voting and tabulation requirements and procedures. The proposed Solicitation and Voting Procedures set forth specific criteria with respect to the general tabulation of Ballots, voting procedures applicable to Holders of Claims, and tabulation of such votes. The Debtors believe that the proposed Solicitation and Voting Procedures will facilitate the Plan confirmation process. Specifically,

the procedures will clarify any obligations of Holders of Claims entitled to vote to accept or reject the Plan and will create a straightforward process by which the Debtors can determine whether they have satisfied the numerosity requirements of section 1126(c) of the Bankruptcy Code. Among other things, to ease and clarify the process of tabulating all votes received, the proposed Solicitation and Voting Procedures and related Ballots provide that a Ballot be counted in determining the acceptance or rejection of the Plan only if it satisfies certain criteria. Specifically, the Solicitation and Voting Procedures provide that the Debtors not count a Ballot if it is, among other things, illegible, submitted by a Holder of a Claim that is not entitled to vote on the Plan, unsigned, or not clearly marked. Further, the Debtors, subject to a contrary order of the Court, may waive any defects or irregularities as to any particular Ballot at any time, either before or after the close of voting, and any such waivers shall be documented in the Voting Report. Accordingly, the Debtors submit that the Solicitation and Voting Procedures are in the best interests of their estates, Holders of Claims, and other parties in interest, and that good cause supports the relief requested herein.

24. The Debtors respectfully request that the Solicitation Agent be authorized (to the extent not authorized by another order of the Court) to assist the Debtors in: (a) distributing the Solicitation Package; (b) receiving, tabulating, and reporting on Ballots cast to accept or reject the Plan by Holders of Claims against the Debtors; (c) responding to inquiries from Holders of Claims and Interests and other parties in interest relating to the Disclosure Statement, the Plan, the Ballots, the Solicitation Packages, and all other documents and matters related thereto, including the procedures and requirements for voting to accept or reject the Plan and for objecting to the Plan; (d) soliciting votes on the Plan; and (e) if necessary, contacting creditors regarding the Plan.

D. The Court Should Approve the Forms of the Ballots.

25. Bankruptcy Rule 3018(c) requires that "an acceptance or rejection shall be in writing, identify the plan or plans accepted or rejected, be signed by the creditor or equity security holder or an authorized agent, and conform to the appropriate Official Form." Fed. R. Bankr. P. 3018(c). In accordance with Bankruptcy Rule 3018(c), the Debtors have prepared and customized ballots for each Voting Class (collectively, the "Ballots"), in substantially the form of the Ballots attached as **Exhibits 2A–2C** to **Exhibit A**. Although based on Official Form No. 14, the Ballots have been modified to (a) address the particular circumstances of these chapter 11 cases, (b) include certain additional information that is relevant and appropriate for Claims in certain of the Voting Classes, and (c) include information on the Third-Party Release contained in the Plan, including excerpts of the relevant provisions and procedures enabling parties, including the parties in interest in the Voting Classes, to "opt into" the Third-Party Release. The Debtors respectfully submit that the forms of the Ballots comply with Bankruptcy Rule 3018(c) and, therefore, should be approved.

26. In addition to accepting hard copy Ballots via first class mail, overnight courier, and hand delivery, the Debtors request authorization to accept Ballots via electronic, online transmissions through a customized section on the Debtors' case website or through the Solicitation Agent's email address. Instructions for electronic, online transmission of Ballots are set forth in the forms of Ballots.

E. The Court Should Approve the Confirmation Hearing Notice.

27. The form and manner of notice of the hearing to consider confirmation of the Plan, substantially in the form attached as **Exhibit 7** to **Exhibit A** (the "Confirmation Hearing Notice"), includes the following: (a) instructions as to how to view or obtain copies of the Disclosure Statement (including the Plan and the other exhibits thereto), the order approving the Disclosure

Statement (the "Disclosure Statement Order"), and all other materials in the Solicitation Package (excluding Ballots) from the Solicitation Agent and/or the Court's website via PACER; (b) notice of the Voting Deadline; (c) notice of the date by which the Debtors will file the Plan Supplement; (d) notice of the deadline by which to object to the Plan; and (e) notice of the Confirmation Hearing and information related thereto. The Confirmation Hearing Notice also includes information on the Debtor Release, Third-Party Release, and injunction, and exculpation provisions contained in the Plan, including excerpts of those provisions. The Confirmation Hearing Notice further outlines the procedures for parties to "opt into" the Third-Party Release. For example, voting stakeholders who vote to reject the Plan may check the box on their respective Ballot to "opt into" the Third-Party Release.[6] Parties in interest in Non-Voting Classes can choose to "opt into" the Third-Party Release in several ways, including via e-mail notification or mail. The Debtors will serve the Confirmation Hearing Notice on all known Holders of Claims and Interests and the list of all parties required to be notified under Bankruptcy Rule 2002 (the "2002 List") (regardless of whether such parties are entitled to vote on the Plan) by no later than **July 31, 2019**.

28. Bankruptcy Rule 2002(l) permits the Court to "order notice by publication if it finds that notice by mail is impracticable or that it is desirable to supplement the notice." Fed. R. Bankr. P. 2002(l). Therefore, in addition to the foregoing distribution of the Confirmation Hearing Notice, the Debtors will publish the Confirmation Hearing Notice one time on or before **July 31, 2019**, in *The New York Times* (national edition), *USA TODAY* (national edition), and *The Globe and Mail* (national edition in Canada). The Debtors believe that the publication of the Confirmation Hearing Notice will provide sufficient notice of, among other things, the entry of the

[6] Voting stakeholders who vote to accept the Plan will be deemed to consent to the Third-Party Release whether such voting stakeholders check the box on their respective Ballot to "opt into" the Third-Party Release or not.

Disclosure Statement Order, the Voting Deadline, the deadline by which to object to the Plan, and the Confirmation Hearing to parties who did not otherwise receive notice by mail. Additionally, service and publication of the Confirmation Hearing Notice comports with the requirements of Bankruptcy Rule 2002 and should be approved.

F. The Court Should Approve the Form and Distribution of Solicitation Packages to Parties Entitled to Vote on the Plan.

29. Bankruptcy Rule 3017(d) specifies the materials to be distributed to holders of allowed claims and/or equity interests upon approval of a disclosure statement, including the court-approved plan and disclosure statement and notice of the time within which acceptances and rejections of the plan may be filed. Fed. R. Bankr. P. 3017(d). In accordance with this requirement, the Debtors propose to send the Solicitation Packages to provide Holders of Claims in the Voting Classes with the information they need to be able to make informed decisions with respect to how to vote on the Plan. Specifically, on or before the date by which the Debtors shall distribute Solicitation Packages to Holders of Claims entitled to vote on the Plan (the "Solicitation Deadline"), the Debtors will cause the Solicitation Packages to be distributed through their Solicitation Agent (by first-class U.S. mail) to those Holders of Claims in the Voting Classes. The "Solicitation Package" will include the following materials:

a. a copy of the Solicitation and Voting Procedures;

b. a Ballot, together with detailed voting instructions and a pre-addressed, postage pre-paid return envelope;

c. a cover letter;

d. the Disclosure Statement (and exhibits thereto, including the Plan);

e. the Disclosure Statement Order (without exhibits);

f. the Confirmation Hearing Notice; and

g. such other materials as the Court may direct.

30. The Debtors request that they be authorized to distribute the Plan, the Disclosure Statement, and the Disclosure Statement Order (without exhibits) to Holders of Claims entitled to vote on the Plan in electronic format (flash drive or CD-ROM). The Ballots, the Solicitation and Voting Procedures, the cover letter, and the Confirmation Hearing Notice will be provided in paper format. Distribution in this manner will translate into significant monetary savings for the Debtors' estates given the length of the Plan, Disclosure Statement, and Disclosure Statement Order.

31. Additionally, the Debtors will provide complete Solicitation Packages (excluding the Ballots) to the U.S. Trustee and all parties on the 2002 List as of the Voting Record Date. Any party that receives the material in electronic format but would prefer paper format may contact the Solicitation Agent and request paper copies of the corresponding materials previously received in electronic format (to be provided at the Debtors' expense). The Debtors further request that they not be required to mail Solicitation Packages or other solicitation materials to (a) Holders of Claims that have already been paid in full during these chapter 11 cases or that are authorized to be paid in full in the ordinary course of business pursuant to an order previously entered by this Court or (b) any party to whom notice of the Disclosure Statement Hearing was sent but was subsequently returned as undeliverable.

G. The Court Should Approve the Form of Notices to Non-Voting Classes.

32. As discussed above, the Non-Voting Classes are not entitled to vote on the Plan. As a result, they will not receive Solicitation Packages and, instead, the Debtors propose that such parties receive a Non-Voting Status Notice (as defined herein). Specifically, in lieu of solicitation materials, the Debtors propose to provide the following to Holders of Claims and Interests in Non-Voting Classes (each, a "Non-Voting Status Notice"):

a. ***Unimpaired Claims—Conclusively Presumed to Accept.*** Holders of Claims in Classes 1, 2, and 3 are not impaired under the Plan and, therefore, are conclusively presumed to have accepted the Plan. As such Holders of

such Claims will receive a notice, substantially in the form attached as **Exhibit 3** to **Exhibit A**, in lieu of a Solicitation Package.

b. ***Other Interests and Claims—Deemed to Reject.*** Holders of Interests in Classes 9 and 10 are receiving no distribution under the Plan and, therefore, are deemed to reject the Plan and will receive a notice, substantially in the form attached as **Exhibit 4** to **Exhibit A**, in lieu of a Solicitation Package.

c. ***Disputed Claims.*** Holders of Claims that are subject to a pending objection by the Debtors are not entitled to vote the disputed portion of their claim. As such, Holders of such Claims will receive a notice, substantially in the form attached as **Exhibit 5** to **Exhibit A**.

33. The Debtors will not provide the Holders in Class 7 (Intercompany Claims) and Class 8 (Intercompany Interests) with a Solicitation Package or any other type of notice in connection with solicitation. Intercompany Claims will either be reinstated or cancelled and released, and Intercompany Interests will either be reinstated or cancelled and released. Thus, the Holders of Intercompany Claims or Intercompany Interests will not be entitled to vote to accept or reject the Plan. Nevertheless, in light of the fact that the Intercompany Claims and Intercompany Interests are all held by the Debtors or affiliates of the Debtors, the Debtors are requesting a waiver from any requirement to serve such Holders of Intercompany Claims or Intercompany Interests with any notices or the Solicitation Package.

34. Each of the Non-Voting Status Notices will include, among other things: (a) instructions as to how to view or obtain copies of the Disclosure Statement (including the Plan and the other exhibits thereto), the Disclosure Statement Order, and all other materials in the Solicitation Package (excluding Ballots) from the Solicitation Agent and/or the Court's website via PACER; (b) notice of the Plan Objection Deadline; and (c) notice of the Confirmation Hearing and information related thereto. The Non-Voting Status Notices also include information on the Third-Party Release contained in the Plan, including excerpts of the relevant provisions and

procedures enabling parties, including the parties in interest receiving Non-Voting Notices, to "opt into" the Third-Party Release.

35. The Debtors believe that the mailing of Non-Voting Status Notices in lieu of Solicitation Packages satisfies the requirements of Bankruptcy Rule 3017(d). Accordingly, unless the Court orders otherwise, the Debtors do not intend to distribute Solicitation Packages to Holders of Claims and Interests in the Non-Voting Classes.

H. The Court Should Approve the Notices to Contract and Lease Counterparties.

36. Executory Contracts and Unexpired Leases are deemed assumed under the Plan unless, among other things, such Executory Contracts or Unexpired Leases are expressly set forth on the Schedule of Rejected Executory Contracts and Unexpired Leases which will be included as part of the Plan Supplement. As soon as reasonably practicable after the Solicitation Deadline, the Debtors will provide notices to counterparties of Executory Contracts and Unexpired Leases, substantially in the forms attached as **Exhibit 8** and **Exhibit 9** to **Exhibit A**, regarding the proposed treatment of Executory Contracts and Unexpired Leases under the Plan, information pertaining to deadlines to object to such treatment, including with respect to cure Claim and adequate assurance under section 365 of the Bankruptcy Code, and instructions for filing a Claim for potential rejection damages (collectively, the "Assumption and Rejection Notices").

37. Additionally, to ensure that counterparties to Executory Contracts and Unexpired Leases receive notice of the Confirmation Hearing, the Debtors will serve such parties with the Confirmation Hearing Notice. If any of these entities also is a Holder of a Claim in a Voting Class as of the Voting Record Date, such entity will also receive a Solicitation Package in accordance with the Solicitation Procedures. The Debtors respectfully submit that these notices comply with the Bankruptcy Code and, therefore, should be approved.

Non-Substantive Modifications

38. The Debtors request authorization to make non-substantive changes to the Disclosure Statement, the Plan, the Solicitation and Voting Procedures, the Confirmation Hearing Notice, the Non-Voting Status Notices, the Ballots, the proposed cover letter, the Assumption and Rejection Notices, and related documents without further order of the Court and consistent in all material respects with the RSA, including changes to correct typographical and grammatical errors, if any, and to make conforming changes to the Disclosure Statement, the Plan, and any other materials in the Solicitation Packages before distribution, in each case subject to the applicable consent rights of the parties to the RSA.

Motion Practice

39. This motion includes citations to the applicable rules and statutory authorities upon which the relief requested herein is predicated and a discussion of their application to this motion. Accordingly, the Debtors submit that this motion satisfies Local Rule 9013-1(a).

Notice

40. The Debtors have provided notice of this motion to the entities on the Master Service List (available on the Debtors' case website at www.omnimgt.com/hollander). The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

No Prior Request

41. No prior request for the relief sought in this motion has been made to this or any other court.

WHEREFORE, the Debtors respectfully request entry of an order, substantially in the form attached hereto as **Exhibit A**, granting the relief requested herein and granting such other relief as is just and proper.

New York, New York
Dated: June 19, 2019

/s/ Joshua A. Sussberg, P.C.

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Proposed Counsel to the Debtors and Debtors in Possession

Exhibit A

Disclosure Statement Order

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
HOLLANDER SLEEP PRODUCTS, LLC., *et al.*,[1]	)	Case No. 19-11608 (MEW)
Debtors.	)	(Jointly Administered)
	)	**Re: Docket No. __**

ORDER (I) APPROVING (A) THE ADEQUACY OF INFORMATION IN THE DISCLOSURE STATEMENT, (B) SOLICITATION AND NOTICE PROCEDURES, AND (C) CERTAIN DATES WITH RESPECT TO PLAN CONFIRMATION, AND (II) GRANTING RELATED RELIEF

Upon the motion (the "Motion")[2] of the Debtors for entry of an order (this "Order") pursuant to sections 105, 1125 and 1126 of the Bankruptcy Code, Bankruptcy Rules 2002, 3016, 3017, 3018, 3020, and Local Rules 3017-1, 3018-1, and 3020-1, (a) approving the adequacy of information in the Disclosure Statement, (b) approving Solicitation and Voting Procedures, (c) approving the confirmation schedule, and (d) granting related relief; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the Southern District of New York*, dated January 31, 2012; and this Court having the power to enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors' service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

[2] Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Motion.

the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted as set forth herein.

2. The Disclosure Statement is hereby approved as providing Holders of Claims entitled to vote on the Plan with adequate information to make an informed decision as to whether to vote to accept or reject the Plan in accordance with section 1125(a)(1) of the Bankruptcy Code.

3. The Disclosure Statement (including all applicable exhibits thereto) provides Holders of Claims, Holders of Interests, and other parties in interest with sufficient notice of the injunction, exculpation, and release provisions contained in Article VIII of the Plan, in satisfaction of the requirements of Bankruptcy Rule 3016(c).

4. The mechanism set forth in the Ballots, Non-Voting Status Notices, and Confirmation Hearing Notice for opting into the Third-Party Release contained in Article VIII of the Plan are hereby approved.

5. The Debtors provided adequate and sufficient notice of the hearing to consider approval of the Disclosure Statement, the manner in which a copy of the Disclosure Statement (and exhibits thereto, including the Plan) could be obtained, and the time fixed for filing objections thereto, in satisfaction of the requirements of the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules.

6. The following dates are hereby established (subject to modification as necessary) with respect to the solicitation of votes to accept or reject the Plan and confirmation of the Plan:

a. **Voting Record Date**: July 24, 2019, as the date for determining: (i) Holders of Claims that are entitled to vote on the Plan and (ii) whether Claims have been properly transferred, including pursuant to Bankruptcy Rule 3001(e), such that the assignee may vote on the Plan;

b. **Confirmation Brief and Reply Deadline**: September 3, 2019 at 9:00 a.m., prevailing Eastern Time, as the deadline to file a brief in support of confirmation of the Plan and/or a reply to any objections to confirmation of the Plan; and

c. **Deadline to File Voting Report**: September 3, 2019, at 4:00 p.m., prevailing Eastern Time, is established as the date by which the Voting Report must be filed, and the Court hereby waives the timing requirement set forth in Local Rule 3018-1(a).

7. The Debtors are authorized to solicit, receive, and tabulate votes to accept the Plan in accordance with the Solicitation and Voting Procedures attached hereto as **Exhibit 1**, which are hereby approved in their entirety.

8. In addition to the Disclosure Statement and exhibits thereto, including the Plan and this Order (without exhibits), the Solicitation Packages to be transmitted on or before the Solicitation Deadline to those Holders of Claims in the Voting Classes entitled to vote on the Plan as of the Voting Record Date shall include the following, the form of each of which is hereby approved:

a. a copy of the Solicitation and Voting Procedures

b. an appropriate form of Ballot attached hereto as **Exhibits 2A–2C**, respectively;[3]

c. the cover letter attached hereto as **Exhibit 6**; and

[3] The Debtors will make every reasonable effort to ensure that any Holder of a Claim who has filed duplicate Claims against the Debtors (whether against the same or multiple Debtors) that are classified under the Plan in the same Voting Class, receives no more than one Solicitation Package (and, therefore, one Ballot) on account of such Claim and with respect to that Class.

d. the Confirmation Hearing Notice attached hereto as **Exhibit 7**.

9. The Solicitation Packages provide the Holders of Claims entitled to vote on the Plan with adequate information to make informed decisions with respect to voting on the Plan in accordance with Bankruptcy Rules 2002(b) and 3017(d), the Bankruptcy Code, and the Local Rules.

10. The Debtors shall distribute Solicitation Packages to all Holders of Claims entitled to vote on the Plan on or before the Solicitation Deadline. Such service shall satisfy the requirements of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules.

11. The Debtors are authorized, but not directed or required, to distribute the Plan, the Disclosure Statement, and this Order to Holders of Claims entitled to vote on the Plan in electronic format. The Ballots, the Solicitation and Voting Procedures, the cover letter, and the Confirmation Hearing Notice will be provided in paper form. On or before the Solicitation Deadline, the Debtors (through their Solicitation Agent) shall provide complete Solicitation Packages to the U.S. Trustee and to all parties on the 2002 List as of the Voting Record Date.

12. Any party that receives the materials in electronic format but would prefer to receive materials in paper format may contact the Solicitation Agent and request paper copies of the corresponding materials previously received in electronic format (to be provided at the Debtors' expense).

13. The Solicitation Agent is authorized to assist the Debtors in: (a) distributing the Solicitation Package; (b) receiving, tabulating, and reporting on Ballots cast to accept or reject the Plan by Holders of Claims against the Debtors; (c) responding to inquiries from Holders of Claims and Interests and other parties in interest relating to the Disclosure Statement, the Plan, the Ballots, the Solicitation Packages, and all other related documents and matters related thereto, including

the procedures and requirements for voting to accept or reject the Plan and for objecting to the Plan; (d) soliciting votes on the Plan; and (e) if necessary, contacting creditors regarding the Plan.

14. The Solicitation Agent is also authorized to accept Ballots via electronic online transmission solely through a customized section on the Debtors' case administration website or by email.

15. The Confirmation Hearing Notice, in the form attached hereto as **Exhibit 7**, which shall be filed by the Debtors and served upon all known Holders of Claims and Interests and the 2002 List (regardless of whether such parties are entitled to vote on the Plan) on or before **July 31, 2019**, constitutes adequate and sufficient notice of the hearing to consider approval of the Plan, the manner in which a copy of the Plan could be obtained, and the time fixed for filing objections thereto, in satisfaction of the requirements of the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules. The Debtors shall publish the Confirmation Hearing Notice (in a format modified for publication) one time on or before **July 31, 2019**, in the *The New York Times* (national edition), *USA TODAY* (national edition), and *The Globe and Mail* (national edition in Canada).

16. Except to the extent the Debtors determine otherwise, the Debtors are not required to provide Solicitation Packages to Holders of Claims or Interests in Non-Voting Classes, as such Holders are not entitled to vote on the Plan. Instead, on or before the Solicitation Deadline, the Solicitation Agent shall mail (first-class postage pre-paid) a Non-Voting Status Notice in lieu of Solicitation Packages, the form of each of which is hereby approved, to those parties, outlined below, who are not entitled to vote on the Plan:

a. ***Unimpaired Claims—Conclusively Presumed to Accept***. Holders of Claims in Classes 1, 2, and 3 are not impaired under the Plan and, therefore, are conclusively presumed to have accepted the Plan. As such, Holders of such Claims will receive a notice, substantially in the form attached hereto as **Exhibit 3**, in lieu of a Solicitation Package.

b. ***Other Interests and Claims—Deemed to Reject***. Holders of Interests in Classes 9 and 10 are receiving no distribution under the Plan and, therefore, are deemed to reject the Plan and will receive a notice, substantially in the form attached hereto as **Exhibit 4**, in lieu of a Solicitation Package.

c. ***Disputed Claims***. Holders of Claims that are subject to a pending objection by the Debtors are not entitled to vote the disputed portion of their Claim. As such, Holders of such Claims will receive a notice, substantially in the form attached hereto as **Exhibit 5**.

17. The Debtors are not required to mail Solicitation Packages or other solicitation materials to (a) Holders of Claims that have already been paid in full during these chapter 11 cases or that are authorized to be paid in full in the ordinary course of business pursuant to an order previously entered by this Court, (b) any party to whom notice of the Disclosure Statement Hearing was sent but was subsequently returned as undeliverable, or (c) Holders in Class 7 (Intercompany Claims) and Class 8 (Intercompany Interests).

18. The notice of Assumed Executory Contracts and Unexpired Leases (including the schedules), substantially in the form attached hereto as **Exhibit 8**, is approved.

19. The notice of Rejected Executory Contracts and Unexpired Leases (including the schedules), substantially in the form attached hereto as **Exhibit 9**, is approved.

20. The Debtors will mail to non-debtor counterparties to the Debtors' Executory Contracts or Unexpired Leases at least 14 days before the Plan Objection Deadline the Executory Contracts and Unexpired Leases notices, substantially in the forms attached hereto as **Exhibit 8** and **Exhibit 9**, notifying them of the forthcoming assumption or rejection of their Executory Contract or Unexpired Lease. Counterparties to Executory Contracts and Unexpired Leases shall have 28 days from the date the notice of assumed Executory Contracts and Unexpired Leases is

sent to file and serve an objection to the Debtors' proposed cure Claim in accordance with the procedures set forth in such notice.

21. Nothing in this Order shall be construed as a waiver of the right of the Debtors or any other party in interest, as applicable, to object to a proof of claim after the Voting Record Date.

22. All time periods set forth in this order shall be calculated in accordance with Bankruptcy Rule 9006(a).

23. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

24. The Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

New York, New York
Dated: _____, 2019

THE HONORABLE MICHAEL E. WILES
UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

Solicitation and Voting Procedures

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
HOLLANDER SLEEP PRODUCTS, LLC, *et al.*,[1]	)	Case No. 19-11608 (MEW)
Debtors.	)	(Jointly Administered)

SOLICITATION AND VOTING PROCEDURES

PLEASE TAKE NOTICE that on [●] 2019, the United States Bankruptcy Court for the Southern District of New York (the "Court") entered an order [Docket No. ●] (the "Disclosure Statement Order"), (a) authorizing Hollander Sleep Products, LLC and its affiliated debtors and debtors in possession (collectively, the "Debtors"), to solicit acceptances for the *Debtors' Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 21] (as modified, amended, or supplemented from time to time, the "Plan");[2] (b) approving the *Disclosure Statement for the Debtors' Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. [●]] (as modified, amended, or supplemented from time to time, the "Disclosure Statement") as containing "adequate information" pursuant to section 1125 of the Bankruptcy Code; (c) approving the solicitation materials and documents to be included in the solicitation packages (the "Solicitation Packages"); and (d) approving procedures for soliciting, receiving, and tabulating votes on the Plan and for filing objections to the Plan.

A. The Voting Record Date.

The Court has approved **July 24, 2019**, as the record date for purposes of determining which Holders of Claims in Class 4 (Term Loan Claims), Class 5 (General Unsecured Claims), and Class 6 (Hollander Canada General Unsecured Claims) are entitled to vote on the Plan (the "Voting Record Date").

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors' service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

[2] Capitalized terms not otherwise defined herein shall have the same meanings set forth in the Plan or in the *Debtors' Motion for Entry of an Order (I) Approving (A) the Adequacy of Information in the Disclosure Statement, (B) Solicitation and Notice Procedures, and (C) Certain Dates With Respect To Plan Confirmation, and (II) Granting Related Relief* [Docket No. [●]], as applicable.

B. The Voting Deadline.

The Court has approved **August 28, 2019, at 4:00 p.m., prevailing Eastern Time**, as the voting deadline (the "Voting Deadline") for the Plan. The Debtors may extend the Voting Deadline, in their discretion, without further order of the Court. To be counted as votes to accept or reject the Plan, all votes must be incorporated on a ballot (a "Ballot") that is properly executed, completed, and returned in the pre-paid, pre-addressed return envelope included in the Solicitation Package or delivered by (1) first class mail, (2) overnight courier, (3) personal delivery, (4) the customized section on the Debtors' case administration website (in accordance with the instructions accompanying the Ballot), or (5) email, so that they are **actually received**, in any case, no later than the Voting Deadline by Omni Management Group (the "Solicitation Agent"). All Ballots returned by mail or personal delivery should be sent to: Hollander Sleep Products, LLC, Ballot Processing, c/o Omni Management Group, 5955 DeSoto Avenue, Suite #100, Woodland Hills, CA 91367. All Ballots returned by email should be sent to: hollanderballots@omnimgt.com. Delivery of a Ballot to the Solicitation Agent by facsimile or any other electronic means other than by using the customized section on the Debtors' case administration website or by email will not be valid.

C. Form, Content, and Manner of Notices.

1. **The Solicitation Package.**

The following materials shall constitute the solicitation package (the "Solicitation Package"):

a. a copy of these Solicitation and Voting Procedures;

b. the *Notice of Hearing to Consider Confirmation of the Chapter 11 Plan Filed by the Debtors and Related Voting and Objection Deadlines,* in substantially the form attached as **Exhibit 7** to the Disclosure Statement Order (the "Confirmation Hearing Notice");

c. a cover letter, in substantially the form attached as **Exhibit 6** to the Disclosure Statement Order, describing the contents of the Solicitation Package and urging the Holders of Claims in each of the Voting Classes to vote to accept the Plan;

d. the applicable form of Ballot, in substantially the form of Ballots attached as **Exhibits 2A–2C** to the Disclosure Statement Order, as applicable, including a pre-paid, pre-addressed return envelope;

e. the approved Disclosure Statement (and exhibits thereto, including the Plan);

f. the Disclosure Statement Order (without exhibits); and

g. any additional documents that the Court has ordered to be made available.

2. **Distribution of the Solicitation Package.**

The Solicitation Package shall provide the Plan, the Disclosure Statement, and the Disclosure Statement Order (without exhibits in electronic format (flash drive or CD-ROM), and all other contents of the Solicitation Package, including Ballots and these Solicitation and Voting Procedures, shall be provided in paper format. Any party that receives the materials in electronic format but would prefer paper format (to be provided at the Debtors' expense) may contact the Solicitation Agent by: (a) calling the Debtors' restructuring hotline at (844) 212-9942 within the United States or Canada or, outside of the United States or Canada, by calling +1 (818) 906-8300; (b) visiting the Debtors' restructuring website at: www.omnimgt.com/hollander; (c) writing to Hollander Sleep Products, LLC, Ballot Processing, c/o Omni Management Group, 5955 DeSoto Avenue, Suite #100, Woodland Hills, CA 91367; and/or (d) emailing hollanderballots@omnimgt.com and requesting paper copies of the corresponding materials previously received in electronic format.

The Debtors shall serve, or cause to be served, all of the materials in the Solicitation Package (excluding the Ballots) on the U.S. Trustee and all parties who have requested service of papers in this case pursuant to Bankruptcy Rule 2002 as of the Voting Record Date. In addition, the Debtors shall mail, or cause to be mailed, the Solicitation Package to all Holders of Claims in the Voting Classes who are permitted to vote on or before July 31, 2019.

To avoid duplication and reduce expenses, the Debtors will make every reasonable effort to ensure that any Holder of a Claim who has filed duplicative Claims against a Debtor (whether against the same or multiple Debtors) that are classified under the Plan in the same Voting Class receives no more than one Solicitation Package (and, therefore, one Ballot) on account of such Claim and with respect to that Class as against that Debtor.

3. **Resolution of Disputed Claims for Voting Purposes; Resolution Event.**

a. Absent a further order of the Court, the Holder of a Claim in a Voting Class that is the subject of a pending objection on a "reduce and allow" basis filed prior to the Voting Deadline shall be entitled to vote such Claim in the reduced amount contained in such objection.

b. If a Claim in a Voting Class is subject to an objection other than a "reduce and allow" objection that is filed with the Court on or prior to seven (7) days before the Voting Deadline: (i) the Debtors shall cause the applicable Holder to be served with a Disputed Claim Notice substantially in the form attached as **Exhibit 5** to the Disclosure Statement Order, and (ii) the applicable Holder shall not be entitled to vote to accept or reject the Plan on account of such claim unless a Resolution Event (as defined herein) occurs as provided herein.

c. If a Claim in a Voting Class is subject to an objection other than a "reduce and allow" objection that is filed with the Court less than seven (7) days prior to the Voting Deadline, the applicable Claim shall be deemed temporarily allowed for voting purposes only, without further action by the Holder of such Claim and without further order of the Court, unless the Court orders otherwise.

d. A "Resolution Event" means the occurrence of one or more of the following events no later than two (2) business days prior to the Voting Deadline:

i. an order of the Court is entered allowing such Claim pursuant to section 502(b) of the Bankruptcy Code, after notice and a hearing;

ii. an order of the Court is entered temporarily allowing such Claim for voting purposes only pursuant to Bankruptcy Rule 3018(a), after notice and a hearing;

iii. a stipulation or other agreement is executed between the Holder of such Claim and the Debtors resolving the objection and allowing such Claim in an agreed upon amount; or

iv. the pending objection is voluntarily withdrawn by the objecting party.

e. No later than one (1) business day following the occurrence of a Resolution Event, the Debtors shall cause the Solicitation Agent to distribute via email, hand delivery, or overnight courier service a Solicitation Package and a pre-addressed, postage pre-paid envelope to the relevant Holder.

4. **Non-Voting Status Notices for Unimpaired Classes and Classes Deemed to Reject the Plan.**

Certain Holders of Claims and Interests that are not classified in accordance with section 1123(a)(1) of the Bankruptcy Code or who are not entitled to vote because they are Unimpaired or otherwise presumed to accept the Plan under section 1126(f) of the Bankruptcy Code will receive only the *Notice of Non-Voting Status to Holders of Unimpaired Claims Conclusively Presumed to Accept the Plan*, substantially in the form attached as **Exhibit 3** to the Disclosure Statement Order. Such notice will instruct these Holders as to how they may obtain copies of the documents contained in the Solicitation Package (excluding Ballots). Certain Holders of Claims and Interests who are not entitled to vote because they are deemed to reject the Plan under section 1126(g) of the Bankruptcy Code will receive the *Notice of Non-Voting Status to Holders of Impaired Claims and Equity Interests Deemed to Reject the Plan*, substantially in the form attached as **Exhibit 4** to the Disclosure Statement Order. Such notice will instruct these Holders as to how they may obtain copies of the documents contained in the Solicitation Package (excluding Ballots).

D. Voting and Tabulation Procedures.

1. Holders of Claims Entitled to Vote.

Only the following Holders of Claims in the Voting Classes shall be entitled to vote with regard to such Claims:

a. Holders of Claims who, on or before the Voting Record Date, have timely filed a Proof of Claim (or an untimely Proof of Claim that has been Allowed as timely by the Court under applicable law on or before the Voting Record

Date) that (i) has not been expunged, disallowed, disqualified, withdrawn, or superseded prior to the Voting Record Date, and (ii) is not the subject of a pending objection, other than a "reduce and allow" objection, filed with the Court at least seven (7) days prior to the Voting Deadline, pending a Resolution Event as provided herein; *provided* that a Holder of a Claim that is the subject of a pending objection on a "reduce and allow" basis shall receive a Solicitation Package and be entitled to vote such Claim in the reduced amount contained in such objection absent a further order of the Court; *provided, further*, that Holders of Claims in the Voting Classes are entitled to vote such Claims without filing Proofs of Claim if such Holders are authorized by any order of this Court not to submit Proofs of Claim (including, pursuant to the DIP Order and the Bar Date Order, the Holders of the DIP Claims, and the Class 4 Claims);

b. Holders of Claims that are listed in the Schedules, *provided* that Claims that are scheduled as contingent, unliquidated, or disputed (excluding such scheduled disputed, contingent, or unliquidated Claims that have been paid or superseded by a timely filed Proof of Claim) shall be allowed to vote only in the amounts set forth in section 2(d) of these Solicitation and Voting Procedures;

c. Holders whose Claims arise (i) pursuant to an agreement or settlement with the Debtors, as reflected in a document filed with the Court (or otherwise), (ii) in an order entered by the Court, or (iii) in a document executed by the Debtors pursuant to authority granted by the Court, in each case regardless of whether a Proof of Claim has been filed;

d. Holders of any Disputed Claim that has been temporarily allowed to vote on the Plan pursuant to Bankruptcy Rule 3018; and

e. with respect to any Entity described in subparagraphs (a) through (d) above, who, on or before the Voting Record Date, has transferred such Entity's Claim to another Entity, to the assignee of such Claim; *provided* that such transfer or assignment has been fully effectuated pursuant to the procedures set forth in Bankruptcy Rule 3001(e) and such transfer is reflected on the Claims Register on the Voting Record Date.

2. Establishing Claim Amounts for Voting Purposes.

Class 4 Term Loan Claims. The voting amounts for Class 4 Claims will be established based on the amount of the applicable positions held by such Class 4 Claim Holder, as of the Voting Record Date, as evidenced by the list of record holders maintained by the Term Loan Agent and dated as of the Voting Record Date.

Class 5 General Unsecured Claim & Class 6 Hollander Canada General Unsecured Claims. In tabulating votes, the following hierarchy shall be used to determine the amount of the Class 5 Claims and Class 6 Claims associated with each claimant's vote:

a. the Claim amount (i) settled and/or agreed upon by the Debtors, as reflected in a document filed with the Court (or otherwise), (ii) set forth in an order of the Court, or (iii) set forth in a document executed by the Debtors pursuant to authority granted by the Court;

b. the Claim amount Allowed (temporarily or otherwise) pursuant to a Resolution Event under Section C.3(d) of these Solicitation and Voting Procedures;

c. the Claim amount contained in a Proof of Claim that has been timely filed by the applicable Bar Date (or deemed timely filed by the Court under applicable law), except for any amounts asserted on account of any interest accrued after the Petition Date; *provided*, *however*, that (i) any Ballot cast by a Holder of a Claim who timely files a Proof of Claim in respect of a contingent Claim or a Claim in a wholly-unliquidated or unknown amount (based on a reasonable review by the Debtors and/or the Solicitation Agent) that is not the subject of an objection will count toward satisfying the numerosity requirement of section 1126(c) of the Bankruptcy Code and will count as a Ballot for a Claim in the amount of $1.00 solely for the purposes of satisfying the dollar amount provisions of section 1126(c) of the Bankruptcy Code, and (ii) if a Proof of Claim is filed as partially liquidated and partially unliquidated, such Claim will be Allowed for voting purposes only in the liquidated amount; *provided*, *further*, *however*, that to the extent the Claim amount contained in the Proof of Claim is different from the Claim amount set forth in a document filed with the Court as referenced in subparagraph (a) above, the Claim amount in the document filed with the Court shall supersede the Claim amount set forth on the respective Proof of Claim for voting purposes;

d. the Claim amount listed in the Schedules (to the extent such Claim is not superseded by a timely filed Proof of Claim) that is not scheduled as contingent, disputed, or unliquidated and/or has not been paid; *provided*, *however*, that if the applicable Bar Date has not expired prior to the Voting Record Date, a Claim listed in the Schedules as contingent, disputed, or unliquidated will count as a vote towards satisfying the numerosity requirement of section 1126(c) of the Bankruptcy Code and as a vote in the amount of $1.00 solely for the purposes of satisfying the dollar amount provisions of section 1126(c) of the Bankruptcy Code; *provided*, *further*, that if the applicable Bar Date has expired, a Claim listed in the Schedules as contingent, disputed, or unliquidated shall not be entitled to vote; and

e. Claims that have been paid or otherwise satisfied are disallowed for voting purposes.

Notwithstanding anything to the contrary contained herein: (x) any creditor who has filed or purchased duplicate Claims against the same Debtor within the same Class may be provided with only one Solicitation Package and one ballot for voting a single Claim in such Class, regardless of whether the Debtors have objected to such duplicate Claims; (y) Holders of Claims filed for $0.00 are not entitled to vote; and (z) if a Proof of Claim has been amended by a later timely filed Proof of Claim, only the later filed amending Claim will be counted for voting purposes, regardless of whether the Debtors have objected to such earlier filed Claim

3. Voting and Ballot Tabulation Procedures.

The following voting procedures and standard assumptions shall be used in tabulating Ballots, subject to the Debtors' right to waive any of the below specified requirements for completion and submission of Ballots so long as such requirement is not otherwise required by the Bankruptcy Code, Bankruptcy Rules, or Local Rules:

a. except as otherwise provided in the Solicitation and Voting Procedures, unless the Ballot being furnished is timely submitted on or prior to the Voting Deadline (as the same may be extended by the Debtors as set forth herein), the Debtors shall reject such Ballot as invalid and, therefore, shall not count it in connection with Confirmation of the Plan;

b. the Solicitation Agent will date-stamp all Ballots when received. The Solicitation Agent shall retain the original Ballots and an electronic copy of the same for a period of one year after the Effective Date of the Plan, unless otherwise ordered by the Court. The Solicitation Agent shall tabulate Ballots on a Debtor-by-Debtor basis;

c. the Debtors will file with the Court a certification of votes (the "Voting Report") on September 3, 2019, at 4:00 p.m., prevailing Eastern Time. The Voting Report shall, among other things, certify to the Court in writing the amount and number of Allowed Claims or Allowed Interests of each Class accepting or rejecting the Plan, and delineate every Ballot that does not conform to the voting instructions or that contains any form of irregularity including, but not limited to, those Ballots that are late or (in whole or in material part) illegible, unidentifiable, lacking signatures or lacking necessary information, received via facsimile or any other electronic means other than by using the customized section on the Debtors' case administration website or by email, or damaged ("Irregular Ballots"). The Voting Report shall indicate the Debtors' intentions with regard to each such Irregular Ballot. The Voting Report shall be served upon the Committee and the U.S. Trustee;

d. the method of delivery of Ballots to be sent to the Solicitation Agent is at the election and risk of each Holder, and except as otherwise provided, a Ballot will be deemed delivered only when the Solicitation Agent actually receives the executed Ballot;

e. an executed Ballot is required to be submitted by the Entity submitting such Ballot. Delivery of a Ballot to the Solicitation Agent by facsimile, or any electronic means other than expressly provided in the Solicitation and Voting Procedures will not be valid;

f. no Ballot should be sent to the Debtors, the Debtors' agents (other than the Solicitation Agent), or the Debtors' financial or legal advisors, and if so sent will not be counted;

g. if multiple Ballots are received from the same Holder with respect to the same Claim prior to the Voting Deadline, the last properly executed Ballot timely received will be deemed to reflect that voter's intent and will supersede and revoke any prior Ballot;

h. Holders must vote all of their Claims within a particular Class either to accept or reject the Plan and may not split any votes. Accordingly, a Ballot that partially rejects and partially accepts the Plan will not be counted. Further, to the extent there are multiple Claims within the same Class, the Debtor may, in its discretion, aggregate the Claims of any particular Holder within a Class for the purpose of counting votes;

i. a person signing a Ballot in its capacity as a trustee, executor, administrator, guardian, attorney in fact, officer of a corporation, or otherwise acting in a fiduciary or representative capacity of a Holder of Claims must indicate such capacity when signing;

j. the Debtors, subject to a contrary order of the Court, may waive any defects or irregularities as to any particular Irregular Ballot at any time, either before or after the close of voting, and any such waivers will be documented in the Voting Report;

k. neither the Debtors, nor any other Entity, will be under any duty to provide notification of defects or irregularities with respect to delivered Ballots other than as provided in the Voting Report, nor will any of them incur any liability for failure to provide such notification;

l. unless waived or as ordered by the Court, any defects or irregularities in connection with deliveries of Ballots must be cured prior to the Voting Deadline or such Ballots will not be counted;

m. in the event a designation of lack of good faith is requested by a party in interest under section 1126(e) of the Bankruptcy Code, the Court will determine whether any vote to accept and/or reject the Plan cast with respect to that Claim will be counted for purposes of determining whether the Plan has been accepted and/or rejected;

n. subject to any order of the Court, the Debtors reserve the right to reject any and all Ballots not in proper form, the acceptance of which, in the opinion

of the Debtors, would not be in accordance with the provisions of the Bankruptcy Code or the Bankruptcy Rules; *provided* that any such rejections will be documented in the Voting Report;

o. if a Claim has been estimated or otherwise Allowed for voting purposes only by order of the Court, such Claim shall be temporarily Allowed in the amount so estimated or Allowed by the Court for voting purposes only, and not for purposes of allowance or distribution;

p. if an objection to a Claim is filed, such Claim shall be treated in accordance with the procedures set forth herein;

q. the following Ballots shall not be counted in determining the acceptance or rejection of the Plan: (i) any Ballot that is illegible or contains insufficient information to permit the identification of the Holder of such Claim; (ii) any Ballot cast by any Entity that does not hold a Claim in a Voting Class; (iii) any Ballot cast for a Claim scheduled as unliquidated, contingent, or disputed for which no Proof of Claim was timely filed; (iv) any unsigned Ballot or Ballot lacking an original signature; (v) any Ballot not marked to accept or reject the Plan or marked both to accept and reject the Plan; and (vi) any Ballot submitted by any Entity not entitled to vote pursuant to the procedures described herein;

r. after the Voting Deadline, no Ballot may be withdrawn or modified without the prior written consent of the Debtors;

s. the Debtors are authorized to enter into stipulations with the Holder of any Claim agreeing to the amount of a Claim for voting purposes; and

t. where any portion of a single Claim has been transferred to a transferee, all Holders of any portion of such single Claim will be: (i) treated as a single creditor for purposes of the numerosity requirements in section 1126(c) of the Bankruptcy Code (and for the other voting and solicitation procedures set forth herein), and (ii) required to vote every portion of such Claim collectively to accept or reject the Plan. In the event that: (x) a Ballot, (y) a group of Ballots within a Voting Class received from a single creditor, or (z) a group of Ballots received from the various Holders of multiple portions of a single Claim partially reject and partially accept the Plan, such Ballots shall not be counted.

E. Amendments to the Plan and Solicitation and Voting Procedures.

The Debtors reserve the right to make non-substantive or immaterial changes to the Disclosure Statement, the Plan, these Solicitation and Voting Procedures, the Confirmation Hearing Notice, the Non-Voting Status Notices, the Ballots, the cover letter, the Assumption and Rejection Notices, and related documents without further order of the Court, including changes to correct typographical and grammatical errors, if any, and to make conforming changes to the Disclosure Statement, the Plan, and any other materials in the Solicitation Packages before distribution.

* * * * *

Exhibit 2A

Form Class 4 Ballot

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
HOLLANDER SLEEP PRODUCTS, LLC, *et al.*,[1]	)	Case No. 19-11608 (MEW)
Debtors.	)	(Jointly Administered)

BALLOT FOR VOTING TO ACCEPT OR REJECT THE DEBTORS' JOINT PLAN OF REORGANIZATION PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE

CLASS 4 CLAIMS

Please read and follow the enclosed instructions for completing Ballots carefully before completing this Ballot.

In order for your vote to be counted, this Ballot must be completed, executed, and returned so as to be actually received by the Solicitation Agent by August 28, 2019, at 4:00 p.m., prevailing Eastern Time (the "Voting Deadline"), in accordance with the following:

The above-captioned debtors and debtors in possession (collectively, the "Debtors") are soliciting votes with respect to the *Debtors' Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 21] (as amended, supplemented, or modified from time to time, the "Plan") as set forth in the *Disclosure Statement for the Debtors' Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. [●]] (as amended, supplemented, or modified from time to time, the "Disclosure Statement"). The United States Bankruptcy Court for the Southern District of New York (the "Court") has approved the Disclosure Statement as containing adequate information pursuant to section 1125 of the Bankruptcy Code by entry of an order on [●], 2019 [Docket No. ●] (the "Disclosure Statement Order"). Court approval of the Disclosure Statement does not indicate approval of the Plan by the Court. Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Plan.

You are receiving this ballot (the "Ballot") because you are a Holder of a Class 4 Claim as of **July 24, 2019** (the "Voting Record Date"). Accordingly, you have a right to vote to accept or reject the Plan. You can cast your vote through this Ballot.

Your rights are described in the Disclosure Statement, which is included in the package (the "Solicitation Package") you are receiving with this Ballot (as well as the Plan, Disclosure Statement Order, and certain other materials). If you received Solicitation Package materials in electronic format and desire paper copies, or if you need to obtain additional Solicitation Packages, you may obtain them (a) from Omni Management Group (the "Solicitation Agent") at no charge by: (i) calling the Debtors' restructuring hotline at (844) 212-9942 within the United States or Canada or, outside of the United States or Canada, by calling +1 (818) 906-8300; (ii) visiting the Debtors' restructuring website at www.omnimgt.com/hollander; (iii) writing to Hollander Sleep Products, LLC, Ballot Processing, c/o Omni

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors' service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

Management Group, 5955 DeSoto Avenue, Suite #100, Woodland Hills, CA 91367; or (iv) emailing hollanderballots@omnimgt.com and requesting paper copies of the corresponding materials previously received in electronic format (to be provided at the Debtors' expense); and/or (b) for a fee via PACER at http://www.nysb.uscourts.gov.

This Ballot may not be used for any purpose other than for casting votes to accept or reject the Plan, agreeing to or opting into certain releases described below, and making certain certifications with respect to the Plan. If you believe you have received this Ballot in error, or if you believe that you have received the wrong ballot, please contact the Solicitation Agent immediately at the address, telephone number, or email address set forth above.

You should review the Disclosure Statement and the Plan before you vote. You may wish to seek legal advice concerning the Plan and the Plan's classification and treatment of your Claim. Your Claim has been placed in Class 4 under the Plan. If you hold Claims in more than one Class, you will receive a ballot for each Class in which you are entitled to vote.

The Court may confirm the Plan and thereby bind all Holders of Claims and Interests. **To have your vote count as either an acceptance or rejection of the Plan, you must complete and return this Ballot so that the Solicitation Agent actually receives it on or before the Voting Deadline.**

The Voting Deadline is on August 28, 2019, at 4:00 p.m., prevailing Eastern Time.

Item 1. Amount of Claim.

The undersigned hereby certifies that as of the Voting Record Date, the undersigned was the holder of Class 4 Claims in the following aggregate amount (insert amount in box below):

Amount of Claim: $_____

Item 2. Vote on Plan.

The Holder of the Class 4 Claim against the Debtors set forth in Item 1 votes to (please check one):

☐ **ACCEPT** (vote FOR) the Plan	☐ **REJECT** (vote AGAINST) the Plan

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Item 3. Important information regarding the Debtor Release, Third-Party Release, Exculpation, and Injunction.

ARTICLE VIII OF THE PLAN CONTAINS RELEASE, EXCULPATION, AND INJUNCTION PROVISIONS. EXCERPTS OF SUCH PROVISIONS ARE SET FORTH BELOW BUT PARTIES SHOULD RELY ONLY ON THE TERMS OF THE PLAN. PARTIES RECEIVING THIS BALLOT MAY OPT INTO THE THIRD-PARTY RELEASE PROVISIONS BY CHECKING THE BOX BELOW SPECIFICALLY PROVIDING FOR THE ACCEPTANCE OF THE THIRD-PARTY RELEASE PROVISIONS.

IF YOU VOTE TO ACCEPT THE PLAN, YOU SHALL BE DEEMED TO HAVE CONSENTED TO THE PLAN'S THIRD-PARTY RELEASE CONTAINED IN ARTICLE VIII OF THE PLAN, AS DESCRIBED IN THIS ITEM 3.

IF YOU VOTE TO REJECT THE PLAN OR WISH TO ABSTAIN FROM VOTING AND YOU WISH TO RELEASE CLAIMS YOU MAY HAVE AGAINST THE RELEASED PARTIES, YOU MAY CHECK THE BOX BELOW TO OPT INTO THE RELEASES; HOWEVER, YOU ARE NOT REQUIRED TO DO SO.

REGARDLESS OF WHETHER YOU ELECT TO OPT INTO THE PLAN'S THIRD-PARTY RELEASE PROVISIONS, YOUR RECOVERY UNDER THE PLAN REMAINS UNAFFECTED.

The undersigned Holder of the Class 4 Claim against the Debtors set forth in Item 1 elects to:

☐ **Opt Into the Third-Party Release in Article VIII of the Plan**

PARTIES THAT SIGN THE RESTRUCTURING SUPPORT AGREEMENT SHALL BE DEEMED TO HAVE GRANTED THE THIRD-PARTY RELEASE REGARDLESS OF WHETHER THEY ELECT TO OPT INTO THE THIRD-PARTY RELEASE ON THEIR BALLOT.

Article VIII.D of the Plan contains the following Third-Party Release:

Effective as of the Effective Date, in exchange for good and valuable consideration, including the obligations of the Debtors under the Plan and the contributions of the Released Parties in facilitating the expeditious reorganization of the Debtors and the implementation of the restructuring contemplated by the Plan, to the fullest extent permissible under applicable law, as such law may be extended or integrated after the Effective Date, on and after the Effective Date each of the Releasing Parties shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever, released and discharged each Debtor, Reorganized Debtor, and Released Party from any and all any and all Claims, interests, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, including any derivative claims, asserted or assertable on behalf of any of the Debtors, the Reorganized Debtors, or their Estates, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions, the Restructuring Transactions, the Sale Transaction (if applicable), entry into the Exit Facilities, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, filing, or consummation of the RSA, the Disclosure Statement, the DIP Facilities, the Sale Transaction (if applicable), the Exit Facilities, the Plan, the Plan Supplement, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the RSA, the Disclosure Statement, the DIP Facilities, or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, other than claims or liabilities arising out of or relating

to any act or omission of a Released Party that constitutes actual fraud, willful misconduct, or gross negligence, each solely to the extent as determined by a Final Order of a court of competent jurisdiction. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release any post-Effective Date obligations of any party or Entity under the Plan, any Restructuring Transaction, or any document, instrument, or agreement (including the Exit Facility Documents and any documents set forth in the Plan Supplement) executed to implement the Plan.

* * * * *

UNDER THE PLAN, "RELEASED PARTY" MEANS, COLLECTIVELY, AND IN EACH CASE IN ITS CAPACITY AS SUCH: (A) THE DEBTORS; (B) THE REORGANIZED DEBTORS; (C) THE PREPETITION SECURED LENDERS; (D) THE PREPETITION AGENTS; (E) THE DIP LENDERS; (F) THE DIP AGENTS; (G) THE EXIT FACILITY LENDERS; (H) THE EXIT FACILITY AGENTS; (I) THE WINNING BIDDER; (J) THE SPONSOR; (K) THE PARTIES TO THE RSA; AND (L) WITH RESPECT TO EACH OF THE FOREGOING IN CLAUSES (A) THROUGH (J), SUCH ENTITY AND ITS CURRENT AND FORMER AFFILIATES, AND SUCH ENTITIES' AND THEIR CURRENT AFFILIATES' DIRECTORS, MANAGERS, OFFICERS, EQUITY HOLDERS (REGARDLESS OF WHETHER SUCH INTERESTS ARE HELD DIRECTLY OR INDIRECTLY), PREDECESSORS, PARTICIPANTS, SUCCESSORS, AND ASSIGNS, SUBSIDIARIES, AFFILIATES, MANAGED ACCOUNTS OR FUNDS, AND EACH OF THEIR RESPECTIVE CURRENT AND FORMER EQUITY HOLDERS, OFFICERS, DIRECTORS, MANAGERS, PRINCIPALS, SHAREHOLDERS, MEMBERS, MANAGEMENT COMPANIES, FUND ADVISORS, EMPLOYEES, AGENTS, ADVISORY BOARD MEMBERS, FINANCIAL ADVISORS, PARTNERS, ATTORNEYS, ACCOUNTANTS, INVESTMENT BANKERS, CONSULTANTS, REPRESENTATIVES, AND OTHER PROFESSIONALS; PROVIDED THAT ANY OF THE FOREGOING THAT DOES NOT CONSENT TO THE RELEASES SHALL NOT BE A "RELEASED PARTY."

IF YOU VOTE TO ACCEPT THE PLAN YOU WILL BE DEEMED A RELEASING PARTY PROVIDING THE THIRD-PARTY RELEASE CONTAINED IN ARTICLE VIII.D OF THE PLAN.

* * * * *

Item 4. Certifications.

By signing this Ballot, the undersigned certifies to the Court and the Debtors that:

(a) as of the Voting Record Date, the entity is either: (i) the Holder of the Claims being voted on this Ballot; or (ii) an authorized signatory for an entity that is the Holder of the Claims being voted on this Ballot;
(b) the entity (or in the case of an authorized signatory, the Holder) has received a copy of the Disclosure Statement and the Solicitation Package and acknowledges that the solicitation is being made pursuant to the terms and conditions set forth therein;
(c) the entity has reviewed the Plan and the Disclosure Statement with respect to the Third-Party Release and has made an informed decision whether or not to consent to the Third-Party Release;
(d) the entity has cast the same vote with respect to all its Claims in a single Class; and
(e) no other Ballots with respect to the Claims identified in Item 1 have been cast or, if any other Ballots have been cast with respect to such Claims, then any such earlier received Ballots are hereby revoked.

Name of Holder:	(Print or Type)
Signature:	
Name of Signatory:	(If other than Holder)
Title:	
Address:	
Telephone Number:	
Email:	
Date Completed:	

Please complete, sign, and date this Ballot and return it (with an original signature) promptly in the envelope provided via first-class mail, overnight courier, or hand-delivery to:

Hollander Sleep Products, LLC, Ballot Processing
c/o Omni Management Group
5955 DeSoto Avenue, Suite #100
Woodland Hills, CA 91367

OR

Complete, sign, and date this Ballot and submit it *promptly* (with an original signature) via the "Submit E-Ballot" section of the Debtors' case administration website at www.omnimgt.com/hollander, pursuant to the instructions set forth therein, or via email to the Solicitation Agent at hollanderballots@omnimgt.com.

The "Submit E-Ballot" section of the Debtors' case administration website and the Solicitation Agent's email address are the sole manners in which Ballots will be accepted via electronic or online transmission. Ballots submitted by facsimile or other means of electronic transmission will not be counted.

Creditors who submit a Ballot using the "Submit E-Ballot" section of the Debtors' case administration website or by emailing the Solicitation Agent should NOT also submit a Ballot via first-class mail, overnight courier, or hand-delivery.

If the Solicitation Agent does not actually receive this Ballot on or before August 28, 2019, at 4:00 p.m., prevailing Eastern Time (and if the Voting Deadline is not extended), your vote transmitted by this Ballot may be counted toward Confirmation of the Plan only in the sole and absolute discretion of the Debtors.

INSTRUCTIONS FOR COMPLETING THIS BALLOT

1. The Debtors are soliciting the votes of Holders of Claims with respect to the Plan attached as **Exhibit A** to the Disclosure Statement. Capitalized terms used in the Ballot or in these instructions (the "Ballot Instructions") but not otherwise defined therein or herein shall have the meanings set forth in the Plan, a copy of which also accompanies the Ballot. **Please read the Plan and Disclosure Statement carefully before completing this Ballot.**

2. The Plan can be confirmed by the Court and thereby made binding upon you if it is accepted by the Holders of at least two-thirds in amount and more than one-half in number of Claims in at least one Class of creditors that votes on the Plan and if the Plan otherwise satisfies the requirements for confirmation provided by section 1129(a) of the Bankruptcy Code. Please review the Disclosure Statement for more information.

3. To ensure that your Ballot is counted, you **must** complete and submit this hard copy Ballot.

4. **Use of Ballot**. To ensure that your hard copy Ballot is counted, you must: (a) complete your Ballot in accordance with these instructions; (b) clearly indicate your decision either to accept or reject the Plan in the boxes provided in Item 2 of the Ballot; and (c) clearly sign and return your original Ballot (i) in the enclosed pre-addressed envelope or via first-class mail, overnight courier, or hand-delivery to Hollander Sleep Products, LLC, Ballot Processing, c/o Omni Management Group, 5955 DeSoto Avenue, Suite #100, Woodland Hills, CA 91367, in accordance with paragraph 6 below or (ii) by following the instructions on the Debtors' case administration website at www.omnimgt.com/hollander (click "Submit E-Ballot" link) or by emailing the Solicitation Agent at hollanderballots@omnimgt.com. The Debtors' case administration website and the Solicitation Agent's email address are the sole manner in which Ballots in this class will be accepted via electronic or online transmission. **Ballots will not be accepted by facsimile or electronic means (other than the Debtors' case administration website and the Solicitation Agent's email address)**

5. Your Ballot **must** be returned to the Solicitation Agent so as to be **actually received** by the Solicitation Agent on or before the Voting Deadline. **The Voting Deadline is August 28, 2019, at 4:00 p.m., prevailing Eastern Time**.

6. If a Ballot is received after the Voting Deadline (and if the Voting Deadline is not extended), it may be counted only in the sole and absolute discretion of the Debtors. Additionally, **the following Ballots will not be counted**:

   (a) any Ballot that partially rejects and partially accepts the Plan;
   (b) any Ballot sent to the Debtors, the Debtors' agents (other than the Solicitation Agent), any administrative agent, or the Debtors' financial or legal advisors;
   (c) any Ballot sent by facsimile or any electronic means other than via the Debtors' case administration website or the Solicitation Agent's email address;
   (d) any Ballot that is illegible or contains insufficient information to permit the identification of the Holder of the Claim;
   (e) any Ballot cast by an entity that does not hold a Claim in the Class indicated in Item 1 of the Ballot;
   (f) any Ballot submitted by a Holder not entitled to vote pursuant to the Plan;
   (g) any unsigned Ballot;
   (h) any non-original Ballot; and/or
   (i) any Ballot not marked to accept or reject the Plan or any Ballot marked both to accept and reject the Plan.

7. The method of delivery of a Ballot to the Solicitation Agent is at the election and risk of each Holder of a Claim. Except as otherwise provided herein, such delivery will be deemed made only when the Solicitation Agent **actually receives** the original executed Ballot. In all cases, Holders should allow sufficient time to assure timely delivery.

8. If multiple Ballots are received from the same Holder of a Claim with respect to the same Claim prior to the Voting Deadline, the latest, timely received, and properly completed Ballot will supersede and revoke any earlier received Ballots; *provided* that a Holder may not change its vote in a previously cast Ballot from acceptance to

rejection or from rejection to acceptance without first obtaining authority from the Court pursuant to the requirements of and in compliance with Bankruptcy Rule 3018(a). Accordingly, a Ballot changing a vote in a previously submitted Ballot without authority from the Court will not be counted.

9. You must vote all of your Claims within a Class either to accept or reject the Plan and may not split your vote. Further, if a Holder has multiple Claims within a Class, the Debtors may, in their discretion, aggregate the Claims of any particular Holder with multiple Claims within such Class for the purpose of counting votes.

10. This Ballot does not constitute, and shall not be deemed to be, (a) a Proof of Claim or (b) an assertion or admission of a Claim.

11. **Please be sure to sign and date your Ballot**.

12. If you hold Claims in more than one Class under the Plan you may receive more than one Ballot coded for each different Class. Each Ballot votes only your Claims indicated on that Ballot, so please complete and return each Ballot that you receive.

Please return your Ballot promptly.

If you have any questions regarding this Ballot, these Voting Instructions, or the Solicitation and Voting Procedures, please call the Debtors' restructuring hotline at (844) 212-9942 (toll free) in the United States or Canada, or, if outside of the United States or Canada, +1 (818) 906-8300, or email hollanderballots@omnimgt.com.

If the Solicitation Agent does not actually receive this Ballot on or before the Voting Deadline, which is on August 28, 2019, at 4:00 p.m., prevailing Eastern Time (and if the Voting Deadline is not extended), your vote transmitted hereby may be counted only in the sole and absolute discretion of the Debtors.

Exhibit 2B

Form Class 5 Ballot

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
HOLLANDER SLEEP PRODUCTS, LLC, *et al.*,[1]	)	Case No. 19-11608 (MEW)
Debtors.	)	(Jointly Administered)

BALLOT FOR VOTING TO ACCEPT OR REJECT THE DEBTORS' JOINT PLAN OF REORGANIZATION PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE

CLASS 5 CLAIMS

Please read and follow the enclosed instructions for completing Ballots carefully before completing this Ballot.

In order for your vote to be counted, this Ballot must be completed, executed, and returned so as to be actually received by the Solicitation Agent by August 28, 2019, at 4:00 p.m., prevailing Eastern Time (the "Voting Deadline"), in accordance with the following:

The above-captioned debtors and debtors in possession (collectively, the "Debtors") are soliciting votes with respect to the *Debtors' Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 21] (as amended, supplemented, or modified from time to time, the "Plan") as set forth in the *Disclosure Statement for the Debtors' Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. [●]] (as amended, supplemented, or modified from time to time, the "Disclosure Statement"). The United States Bankruptcy Court for the Southern District of New York (the "Court") has approved the Disclosure Statement as containing adequate information pursuant to section 1125 of the Bankruptcy Code by entry of an order on [●], 2019 [Docket No. ●] (the "Disclosure Statement Order"). Court approval of the Disclosure Statement does not indicate approval of the Plan by the Court. Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Plan.

You are receiving this ballot (the "Ballot") because you are a Holder of a Class 5 Claim as of **July 24, 2019** (the "Voting Record Date"). Accordingly, you have a right to vote to accept or reject the Plan. You can cast your vote through this Ballot.

Your rights are described in the Disclosure Statement, which is included in the package (the "Solicitation Package") you are receiving with this Ballot (as well as the Plan, Disclosure Statement Order, and certain other materials). If you received Solicitation Package materials in electronic format and desire paper copies, or if you need to obtain additional Solicitation Packages, you may obtain them (a) from Omni Management Group (the "Solicitation Agent") at no charge by: (i) calling the Debtors' restructuring hotline at (844) 212-9942 within the United States or Canada or, outside of the United States or Canada, by calling +1 (818) 906-8300; (ii) visiting the Debtors' restructuring website at www.omnimgt.com/hollander; (iii) writing to Hollander Sleep Products, LLC, Ballot Processing, c/o Omni

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors' service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

Management Group, 5955 DeSoto Avenue, Suite #100, Woodland Hills, CA 91367; or (iv) emailing hollanderballots@omnimgt.com and requesting paper copies of the corresponding materials previously received in electronic format (to be provided at the Debtors' expense); and/or (b) for a fee via PACER at http://www.nysb.uscourts.gov.

This Ballot may not be used for any purpose other than for casting votes to accept or reject the Plan, agreeing to or opting into certain releases described below, and making certain certifications with respect to the Plan. If you believe you have received this Ballot in error, or if you believe that you have received the wrong ballot, please contact the Solicitation Agent immediately at the address, telephone number, or email address set forth above.

You should review the Disclosure Statement and the Plan before you vote. You may wish to seek legal advice concerning the Plan and the Plan's classification and treatment of your Claim. Your Claim has been placed in Class 5 under the Plan. If you hold Claims in more than one Class, you will receive a ballot for each Class in which you are entitled to vote.

The Court may confirm the Plan and thereby bind all Holders of Claims and Interests. **To have your vote count as either an acceptance or rejection of the Plan, you must complete and return this Ballot so that the Solicitation Agent actually receives it on or before the Voting Deadline.**

The Voting Deadline is on August 28, 2019, at 4:00 p.m., prevailing Eastern Time.

Item 1. Amount of Claim.

The undersigned hereby certifies that as of the Voting Record Date, the undersigned was the holder of Class 5 Claims in the following aggregate amount (insert amount in box below):

Amount of Claim: $_____

Item 2. Vote on Plan.

The Holder of the Class 5 Claim against the Debtors set forth in Item 1 votes to (please check one):

☐ **ACCEPT** (vote FOR) the Plan	☐ **REJECT** (vote AGAINST) the Plan

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Item 3. Important information regarding the Debtor Release, Third-Party Release, Exculpation, and Injunction.

ARTICLE VIII OF THE PLAN CONTAINS RELEASE, EXCULPATION, AND INJUNCTION PROVISIONS. EXCERPTS OF SUCH PROVISIONS ARE SET FORTH BELOW BUT PARTIES SHOULD RELY ONLY ON THE TERMS OF THE PLAN. PARTIES RECEIVING THIS BALLOT MAY OPT INTO THE THIRD-PARTY RELEASE PROVISIONS BY CHECKING THE BOX BELOW SPECIFICALLY PROVIDING FOR THE ACCEPTANCE OF THE THIRD-PARTY RELEASE PROVISIONS.

IF YOU VOTE TO ACCEPT THE PLAN, YOU SHALL BE DEEMED TO HAVE CONSENTED TO THE PLAN'S THIRD-PARTY RELEASE CONTAINED IN ARTICLE VIII OF THE PLAN, AS DESCRIBED IN THIS ITEM 3.

IF YOU VOTE TO REJECT THE PLAN OR WISH TO ABSTAIN FROM VOTING AND YOU WISH TO RELEASE CLAIMS YOU MAY HAVE AGAINST THE RELEASED PARTIES, YOU MAY CHECK THE BOX BELOW TO OPT INTO THE RELEASES; HOWEVER, YOU ARE NOT REQUIRED TO DO SO.

REGARDLESS OF WHETHER YOU ELECT TO OPT INTO THE PLAN'S THIRD-PARTY RELEASE PROVISIONS, YOUR RECOVERY UNDER THE PLAN REMAINS UNAFFECTED.

The undersigned Holder of the Class 5 Claim against the Debtors set forth in Item 1 elects to:

☐ **Opt Into the Third-Party Release in Article VIII of the Plan**

PARTIES THAT SIGN THE RESTRUCTURING SUPPORT AGREEMENT SHALL BE DEEMED TO HAVE GRANTED THE THIRD-PARTY RELEASE REGARDLESS OF WHETHER THEY ELECT TO OPT INTO THE THIRD-PARTY RELEASE ON THEIR BALLOT.

Article VIII.D of the Plan contains the following Third-Party Release:

Effective as of the Effective Date, in exchange for good and valuable consideration, including the obligations of the Debtors under the Plan and the contributions of the Released Parties in facilitating the expeditious reorganization of the Debtors and the implementation of the restructuring contemplated by the Plan, to the fullest extent permissible under applicable law, as such law may be extended or integrated after the Effective Date, on and after the Effective Date each of the Releasing Parties shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever, released and discharged each Debtor, Reorganized Debtor, and Released Party from any and all any and all Claims, interests, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, including any derivative claims, asserted or assertable on behalf of any of the Debtors, the Reorganized Debtors, or their Estates, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions, the Restructuring Transactions, the Sale Transaction (if applicable), entry into the Exit Facilities, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, filing, or consummation of the RSA, the Disclosure Statement, the DIP Facilities, the Sale Transaction (if applicable), the Exit Facilities, the Plan, the Plan Supplement, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the RSA, the Disclosure Statement, the DIP Facilities, or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, other than claims or liabilities arising out of or relating

to any act or omission of a Released Party that constitutes actual fraud, willful misconduct, or gross negligence, each solely to the extent as determined by a Final Order of a court of competent jurisdiction. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release any post-Effective Date obligations of any party or Entity under the Plan, any Restructuring Transaction, or any document, instrument, or agreement (including the Exit Facility Documents and any documents set forth in the Plan Supplement) executed to implement the Plan.

* * * * *

UNDER THE PLAN, "RELEASED PARTY" MEANS, COLLECTIVELY, AND IN EACH CASE IN ITS CAPACITY AS SUCH: (A) THE DEBTORS; (B) THE REORGANIZED DEBTORS; (C) THE PREPETITION SECURED LENDERS; (D) THE PREPETITION AGENTS; (E) THE DIP LENDERS; (F) THE DIP AGENTS; (G) THE EXIT FACILITY LENDERS; (H) THE EXIT FACILITY AGENTS; (I) THE WINNING BIDDER; (J) THE SPONSOR; (K) THE PARTIES TO THE RSA; AND (L) WITH RESPECT TO EACH OF THE FOREGOING IN CLAUSES (A) THROUGH (J), SUCH ENTITY AND ITS CURRENT AND FORMER AFFILIATES, AND SUCH ENTITIES' AND THEIR CURRENT AFFILIATES' DIRECTORS, MANAGERS, OFFICERS, EQUITY HOLDERS (REGARDLESS OF WHETHER SUCH INTERESTS ARE HELD DIRECTLY OR INDIRECTLY), PREDECESSORS, PARTICIPANTS, SUCCESSORS, AND ASSIGNS, SUBSIDIARIES, AFFILIATES, MANAGED ACCOUNTS OR FUNDS, AND EACH OF THEIR RESPECTIVE CURRENT AND FORMER EQUITY HOLDERS, OFFICERS, DIRECTORS, MANAGERS, PRINCIPALS, SHAREHOLDERS, MEMBERS, MANAGEMENT COMPANIES, FUND ADVISORS, EMPLOYEES, AGENTS, ADVISORY BOARD MEMBERS, FINANCIAL ADVISORS, PARTNERS, ATTORNEYS, ACCOUNTANTS, INVESTMENT BANKERS, CONSULTANTS, REPRESENTATIVES, AND OTHER PROFESSIONALS; PROVIDED THAT ANY OF THE FOREGOING THAT DOES NOT CONSENT TO THE RELEASES SHALL NOT BE A "RELEASED PARTY."

IF YOU VOTE TO ACCEPT THE PLAN YOU WILL BE DEEMED A RELEASING PARTY PROVIDING THE THIRD-PARTY RELEASE CONTAINED IN ARTICLE VIII.D OF THE PLAN.

* * * * *

Item 4. Certifications.

By signing this Ballot, the undersigned certifies to the Court and the Debtors that:

(f) as of the Voting Record Date, the entity is either: (i) the Holder of the Claims being voted on this Ballot; or (ii) an authorized signatory for an entity that is the Holder of the Claims being voted on this Ballot;

(g) the entity (or in the case of an authorized signatory, the Holder) has received a copy of the Disclosure Statement and the Solicitation Package and acknowledges that the solicitation is being made pursuant to the terms and conditions set forth therein;

(h) the entity has reviewed the Plan and the Disclosure Statement with respect to the Third-Party Release and has made an informed decision whether or not to consent to the Third-Party Release;

(i) the entity has cast the same vote with respect to all its Claims in a single Class; and

(j) no other Ballots with respect to the Claims identified in Item 1 have been cast or, if any other Ballots have been cast with respect to such Claims, then any such earlier received Ballots are hereby revoked.

Name of Holder:	(Print or Type)
Signature:	
Name of Signatory:	(If other than Holder)
Title:	
Address:	
Telephone Number:	
Email:	
Date Completed:	

Please complete, sign, and date this Ballot and return it (with an original signature) promptly in the envelope provided via first-class mail, overnight courier, or hand-delivery to:

Hollander Sleep Products, LLC, Ballot Processing
c/o Omni Management Group
5955 DeSoto Avenue, Suite #100
Woodland Hills, CA 91367

OR

Complete, sign, and date this Ballot and submit it *promptly* (with an original signature) via the "Submit E-Ballot" section of the Debtors' case administration website at www.omnimgt.com/hollander, pursuant to the instructions set forth therein, or via email to the Solicitation Agent at hollanderballots@omnimgt.com.

The "Submit E-Ballot" section of the Debtors' case administration website and the Solicitation Agent's email address are the sole manners in which Ballots will be accepted via electronic or online transmission. Ballots submitted by facsimile or other means of electronic transmission will not be counted.

Creditors who submit a Ballot using the "Submit E-Ballot" section of the Debtors' case administration website or by emailing the Solicitation Agent should NOT also submit a Ballot via first-class mail, overnight courier, or hand-delivery.

If the Solicitation Agent does not actually receive this Ballot on or before August 28, 2019, at 4:00 p.m., prevailing Eastern Time (and if the Voting Deadline is not extended), your vote transmitted by this Ballot may be counted toward Confirmation of the Plan only in the sole and absolute discretion of the Debtors.

INSTRUCTIONS FOR COMPLETING THIS BALLOT

1. The Debtors are soliciting the votes of Holders of Claims with respect to the Plan attached as **Exhibit A** to the Disclosure Statement. Capitalized terms used in the Ballot or in these instructions (the "Ballot Instructions") but not otherwise defined therein or herein shall have the meanings set forth in the Plan, a copy of which also accompanies the Ballot. **Please read the Plan and Disclosure Statement carefully before completing this Ballot.**

2. The Plan can be confirmed by the Court and thereby made binding upon you if it is accepted by the Holders of at least two-thirds in amount and more than one-half in number of Claims in at least one Class of creditors that votes on the Plan and if the Plan otherwise satisfies the requirements for confirmation provided by section 1129(a) of the Bankruptcy Code. Please review the Disclosure Statement for more information.

3. To ensure that your Ballot is counted, you **must** complete and submit this hard copy Ballot.

4. **Use of Ballot**. To ensure that your hard copy Ballot is counted, you must: (a) complete your Ballot in accordance with these instructions; (b) clearly indicate your decision either to accept or reject the Plan in the boxes provided in Item 2 of the Ballot; and (c) clearly sign and return your original Ballot (i) in the enclosed pre-addressed envelope or via first-class mail, overnight courier, or hand-delivery to Hollander Sleep Products, LLC, Ballot Processing, c/o Omni Management Group, 5955 DeSoto Avenue, Suite #100, Woodland Hills, CA 91367, in accordance with paragraph 6 below or (ii) by following the instructions on the Debtors' case administration website at www.omnimgt.com/hollander (click "Submit E-Ballot" link) or by emailing the Solicitation Agent at hollanderballots@omnimgt.com. The Debtors' case administration website and the Solicitation Agent's email address are the sole manner in which Ballots in this class will be accepted via electronic or online transmission. **Ballots will not be accepted by facsimile or electronic means (other than the Debtors' case administration website and the Solicitation Agent's email address)**

5. Your Ballot **must** be returned to the Solicitation Agent so as to be **actually received** by the Solicitation Agent on or before the Voting Deadline. **The Voting Deadline is August 28, 2019, at 4:00 p.m., prevailing Eastern Time**.

6. If a Ballot is received after the Voting Deadline (and if the Voting Deadline is not extended), it may be counted only in the sole and absolute discretion of the Debtors. Additionally, **the following Ballots will not be counted**:

   (j) any Ballot that partially rejects and partially accepts the Plan;
   (k) any Ballot sent to the Debtors, the Debtors' agents (other than the Solicitation Agent), any administrative agent, or the Debtors' financial or legal advisors;
   (l) any Ballot sent by facsimile or any electronic means other than via the Debtors' case administration website or the Solicitation Agent's email address;
   (m) any Ballot that is illegible or contains insufficient information to permit the identification of the Holder of the Claim;
   (n) any Ballot cast by an entity that does not hold a Claim in the Class indicated in Item 1 of the Ballot;
   (o) any Ballot submitted by a Holder not entitled to vote pursuant to the Plan;
   (p) any unsigned Ballot;
   (q) any non-original Ballot; and/or
   (r) any Ballot not marked to accept or reject the Plan or any Ballot marked both to accept and reject the Plan.

7. The method of delivery of a Ballot to the Solicitation Agent is at the election and risk of each Holder of a Claim. Except as otherwise provided herein, such delivery will be deemed made only when the Solicitation Agent **actually receives** the original executed Ballot. In all cases, Holders should allow sufficient time to assure timely delivery.

8. If multiple Ballots are received from the same Holder of a Claim with respect to the same Claim prior to the Voting Deadline, the latest, timely received, and properly completed Ballot will supersede and revoke any earlier received Ballots; *provided* that a Holder may not change its vote in a previously cast Ballot from acceptance to

rejection or from rejection to acceptance without first obtaining authority from the Court pursuant to the requirements of and in compliance with Bankruptcy Rule 3018(a). Accordingly, a Ballot changing a vote in a previously submitted Ballot without authority from the Court will not be counted.

9. You must vote all of your Claims within a Class either to accept or reject the Plan and may not split your vote. Further, if a Holder has multiple Claims within a Class, the Debtors may, in their discretion, aggregate the Claims of any particular Holder with multiple Claims within such Class for the purpose of counting votes.

10. This Ballot does not constitute, and shall not be deemed to be, (a) a Proof of Claim or (b) an assertion or admission of a Claim.

11. **Please be sure to sign and date your Ballot**.

12. If you hold Claims in more than one Class under the Plan you may receive more than one Ballot coded for each different Class. Each Ballot votes only your Claims indicated on that Ballot, so please complete and return each Ballot that you receive.

Please return your Ballot promptly.

If you have any questions regarding this Ballot, these Voting Instructions, or the Solicitation and Voting Procedures, please call the Debtors' restructuring hotline at (844) 212-9942 (toll free) in the United States or Canada, or, if outside of the United States or Canada, +1 (818) 906-8300, or email hollanderballots@omnimgt.com.

If the Solicitation Agent does not actually receive this Ballot on or before the Voting Deadline, which is on August 28, 2019, at 4:00 p.m., prevailing Eastern Time (and if the Voting Deadline is not extended), your vote transmitted hereby may be counted only in the sole and absolute discretion of the Debtors.

Exhibit 2C

Form Class 6 Ballot

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
HOLLANDER SLEEP PRODUCTS, LLC, *et al.*,[1]	)	Case No. 19-11608 (MEW)
Debtors.	)	(Jointly Administered)

BALLOT FOR VOTING TO ACCEPT OR REJECT THE DEBTORS' JOINT PLAN OF REORGANIZATION PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE

CLASS 6 CLAIMS

Please read and follow the enclosed instructions for completing Ballots carefully before completing this Ballot.

In order for your vote to be counted, this Ballot must be completed, executed, and returned so as to be actually received by the Solicitation Agent by August 28, 2019, at 4:00 p.m., prevailing Eastern Time (the "Voting Deadline"), in accordance with the following:

The above-captioned debtors and debtors in possession (collectively, the "Debtors") are soliciting votes with respect to the *Debtors' Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 21] (as amended, supplemented, or modified from time to time, the "Plan") as set forth in the *Disclosure Statement for the Debtors' Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. [●]] (as amended, supplemented, or modified from time to time, the "Disclosure Statement"). The United States Bankruptcy Court for the Southern District of New York (the "Court") has approved the Disclosure Statement as containing adequate information pursuant to section 1125 of the Bankruptcy Code by entry of an order on [●], 2019 [Docket No. ●] (the "Disclosure Statement Order"). Court approval of the Disclosure Statement does not indicate approval of the Plan by the Court. Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Plan.

You are receiving this ballot (the "Ballot") because you are a Holder of a Class 6 Claim as of **July 24, 2019** (the "Voting Record Date"). Accordingly, you have a right to vote to accept or reject the Plan. You can cast your vote through this Ballot.

Your rights are described in the Disclosure Statement, which is included in the package (the "Solicitation Package") you are receiving with this Ballot (as well as the Plan, Disclosure Statement Order, and certain other materials). If you received Solicitation Package materials in electronic format and desire paper copies, or if you need to obtain additional Solicitation Packages, you may obtain them (a) from Omni Management Group (the "Solicitation Agent") at no charge by: (i) calling the Debtors' restructuring hotline at (844) 212-9942 within the United States or Canada or, outside of the United States or Canada, by calling +1 (818) 906-8300; (ii) visiting the Debtors' restructuring website at www.omnimgt.com/hollander; (iii) writing to Hollander Sleep Products, LLC, Ballot Processing, c/o Omni

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors' service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

Management Group, 5955 DeSoto Avenue, Suite #100, Woodland Hills, CA 91367; or (iv) emailing hollanderballots@omnimgt.com and requesting paper copies of the corresponding materials previously received in electronic format (to be provided at the Debtors' expense); and/or (b) for a fee via PACER at http://www.nysb.uscourts.gov.

This Ballot may not be used for any purpose other than for casting votes to accept or reject the Plan, agreeing to or opting into certain releases described below, and making certain certifications with respect to the Plan. If you believe you have received this Ballot in error, or if you believe that you have received the wrong ballot, please contact the Solicitation Agent immediately at the address, telephone number, or email address set forth above.

You should review the Disclosure Statement and the Plan before you vote. You may wish to seek legal advice concerning the Plan and the Plan's classification and treatment of your Claim. Your Claim has been placed in Class 6 under the Plan. If you hold Claims in more than one Class, you will receive a ballot for each Class in which you are entitled to vote.

The Court may confirm the Plan and thereby bind all Holders of Claims and Interests. **To have your vote count as either an acceptance or rejection of the Plan, you must complete and return this Ballot so that the Solicitation Agent actually receives it on or before the Voting Deadline.**

The Voting Deadline is on August 28, 2019, at 4:00 p.m., prevailing Eastern Time.

Item 1. Amount of Claim.

The undersigned hereby certifies that as of the Voting Record Date, the undersigned was the holder of Class 6 Claims in the following aggregate amount (insert amount in box below):

Amount of Claim: $_____

Item 2. Vote on Plan.

The Holder of the Class 6 Claim against the Debtors set forth in Item 1 votes to (please check one):

☐ **ACCEPT** (vote FOR) the Plan	☐ **REJECT** (vote AGAINST) the Plan

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Item 3. Important information regarding the Debtor Release, Third-Party Release, Exculpation, and Injunction.

ARTICLE VIII OF THE PLAN CONTAINS RELEASE, EXCULPATION, AND INJUNCTION PROVISIONS. EXCERPTS OF SUCH PROVISIONS ARE SET FORTH BELOW BUT PARTIES SHOULD RELY ONLY ON THE TERMS OF THE PLAN. PARTIES RECEIVING THIS BALLOT MAY OPT INTO THE THIRD-PARTY RELEASE PROVISIONS BY CHECKING THE BOX BELOW SPECIFICALLY PROVIDING FOR THE ACCEPTANCE OF THE THIRD-PARTY RELEASE PROVISIONS.

IF YOU VOTE TO ACCEPT THE PLAN, YOU SHALL BE DEEMED TO HAVE CONSENTED TO THE PLAN'S THIRD-PARTY RELEASE CONTAINED IN ARTICLE VIII OF THE PLAN, AS DESCRIBED IN THIS ITEM 3.

IF YOU VOTE TO REJECT THE PLAN OR WHISH TO ABSTAIN FROM VOTING AND YOU WISH TO RELEASE CLAIMS YOU MAY HAVE AGAINST THE RELEASED PARTIES AS SET FORTH ABOVE, YOU MAY CHECK THE BOX BELOW TO OPT INTO THE RELEASES; HOWEVER, YOU ARE NOT REQUIRED TO DO SO.

REGARDLESS OF WHETHER YOU ELECT TO OPT INTO THE PLAN'S THIRD-PARTY RELEASE PROVISIONS, YOUR RECOVERY UNDER THE PLAN REMAINS UNAFFECTED.

The undersigned Holder of the Class 6 Claim against the Debtors set forth in Item 1 elects to:

☐ **Opt Into the Third-Party Release in Article VIII of the Plan**

PARTIES THAT SIGN THE RESTRUCTURING SUPPORT AGREEMENT SHALL BE DEEMED TO HAVE GRANTED THE THIRD-PARTY RELEASE REGARDLESS OF WHETHER THEY ELECT TO OPT INTO THE THIRD-PARTY RELEASE ON THEIR BALLOT.

Article VIII.D of the Plan contains the following Third-Party Release:

Effective as of the Effective Date, in exchange for good and valuable consideration, including the obligations of the Debtors under the Plan and the contributions of the Released Parties in facilitating the expeditious reorganization of the Debtors and the implementation of the restructuring contemplated by the Plan, to the fullest extent permissible under applicable law, as such law may be extended or integrated after the Effective Date, on and after the Effective Date each of the Releasing Parties shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever, released and discharged each Debtor, Reorganized Debtor, and Released Party from any and all any and all Claims, interests, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, including any derivative claims, asserted or assertable on behalf of any of the Debtors, the Reorganized Debtors, or their Estates, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions, the Restructuring Transactions, the Sale Transaction (if applicable), entry into the Exit Facilities, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, filing, or consummation of the RSA, the Disclosure Statement, the DIP Facilities, the Sale Transaction (if applicable), the Exit Facilities, the Plan, the Plan Supplement, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the RSA, the Disclosure Statement, the DIP Facilities, or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other

occurrence taking place on or before the Effective Date, other than claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes actual fraud, willful misconduct, or gross negligence, each solely to the extent as determined by a Final Order of a court of competent jurisdiction. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release any post-Effective Date obligations of any party or Entity under the Plan, any Restructuring Transaction, or any document, instrument, or agreement (including the Exit Facility Documents and any documents set forth in the Plan Supplement) executed to implement the Plan.

* * * * *

UNDER THE PLAN, "RELEASED PARTY" MEANS, COLLECTIVELY, AND IN EACH CASE IN ITS CAPACITY AS SUCH: (A) THE DEBTORS; (B) THE REORGANIZED DEBTORS; (C) THE PREPETITION SECURED LENDERS; (D) THE PREPETITION AGENTS; (E) THE DIP LENDERS; (F) THE DIP AGENTS; (G) THE EXIT FACILITY LENDERS; (H) THE EXIT FACILITY AGENTS; (I) THE WINNING BIDDER; (J) THE SPONSOR; (K) THE PARTIES TO THE RSA; AND (L) WITH RESPECT TO EACH OF THE FOREGOING IN CLAUSES (A) THROUGH (J), SUCH ENTITY AND ITS CURRENT AND FORMER AFFILIATES, AND SUCH ENTITIES' AND THEIR CURRENT AFFILIATES' DIRECTORS, MANAGERS, OFFICERS, EQUITY HOLDERS (REGARDLESS OF WHETHER SUCH INTERESTS ARE HELD DIRECTLY OR INDIRECTLY), PREDECESSORS, PARTICIPANTS, SUCCESSORS, AND ASSIGNS, SUBSIDIARIES, AFFILIATES, MANAGED ACCOUNTS OR FUNDS, AND EACH OF THEIR RESPECTIVE CURRENT AND FORMER EQUITY HOLDERS, OFFICERS, DIRECTORS, MANAGERS, PRINCIPALS, SHAREHOLDERS, MEMBERS, MANAGEMENT COMPANIES, FUND ADVISORS, EMPLOYEES, AGENTS, ADVISORY BOARD MEMBERS, FINANCIAL ADVISORS, PARTNERS, ATTORNEYS, ACCOUNTANTS, INVESTMENT BANKERS, CONSULTANTS, REPRESENTATIVES, AND OTHER PROFESSIONALS; PROVIDED THAT ANY OF THE FOREGOING THAT DOES NOT CONSENT TO THE RELEASES SHALL NOT BE A "RELEASED PARTY."

IF YOU VOTE TO ACCEPT THE PLAN YOU WILL BE DEEMED A RELEASING PARTY PROVIDING THE THIRD-PARTY RELEASE CONTAINED IN ARTICLE VIII.D OF THE PLAN.

* * * * *

Item 4. Certifications.

By signing this Ballot, the undersigned certifies to the Court and the Debtors that:

(k) as of the Voting Record Date, the entity is either: (i) the Holder of the Claims being voted on this Ballot; or (ii) an authorized signatory for an entity that is the Holder of the Claims being voted on this Ballot;

(l) the entity (or in the case of an authorized signatory, the Holder) has received a copy of the Disclosure Statement and the Solicitation Package and acknowledges that the solicitation is being made pursuant to the terms and conditions set forth therein;

(m) the entity has reviewed the Plan and the Disclosure Statement with respect to the Third-Party Release and has made an informed decision whether or not to consent to the Third-Party Release;

(n) the entity has cast the same vote with respect to all its Claims in a single Class; and

(o) no other Ballots with respect to the Claims identified in Item 1 have been cast or, if any other Ballots have been cast with respect to such Claims, then any such earlier received Ballots are hereby revoked.

Name of Holder:	(Print or Type)
Signature:	
Name of Signatory:	(If other than Holder)
Title:	
Address:	
Telephone Number:	
Email:	
Date Completed:	

Please complete, sign, and date this Ballot and return it (with an original signature) promptly in the envelope provided via first-class mail, overnight courier, or hand-delivery to:

Hollander Sleep Products, LLC, Ballot Processing
c/o Omni Management Group
5955 DeSoto Avenue, Suite #100
Woodland Hills, CA 91367

OR

Complete, sign, and date this Ballot and submit it *promptly* (with an original signature) via the "Submit E-Ballot" section of the Debtors' case administration website at www.omnimgt.com/hollander, pursuant to the instructions set forth therein, or via email to the Solicitation Agent at hollanderballots@omnimgt.com.

The "Submit E-Ballot" section of the Debtors' case administration website and the Solicitation Agent's email address are the sole manners in which Ballots will be accepted via electronic or online transmission. Ballots submitted by facsimile or other means of electronic transmission will not be counted.

Creditors who submit a Ballot using the "Submit E-Ballot" section of the Debtors' case administration website or by emailing the Solicitation Agent should NOT also submit a Ballot via first-class mail, overnight courier, or hand-delivery.

If the Solicitation Agent does not actually receive this Ballot on or before August 28, 2019, at 4:00 p.m., prevailing Eastern Time (and if the Voting Deadline is not extended), your vote transmitted by this Ballot may be counted toward Confirmation of the Plan only in the sole and absolute discretion of the Debtors.

INSTRUCTIONS FOR COMPLETING THIS BALLOT

1. The Debtors are soliciting the votes of Holders of Claims with respect to the Plan attached as **Exhibit A** to the Disclosure Statement. Capitalized terms used in the Ballot or in these instructions (the "Ballot Instructions") but not otherwise defined therein or herein shall have the meanings set forth in the Plan, a copy of which also accompanies the Ballot. **Please read the Plan and Disclosure Statement carefully before completing this Ballot.**

2. The Plan can be confirmed by the Court and thereby made binding upon you if it is accepted by the Holders of at least two-thirds in amount and more than one-half in number of Claims in at least one Class of creditors that votes on the Plan and if the Plan otherwise satisfies the requirements for confirmation provided by section 1129(a) of the Bankruptcy Code. Please review the Disclosure Statement for more information.

3. To ensure that your Ballot is counted, you **must** complete and submit this hard copy Ballot.

4. **Use of Ballot**. To ensure that your hard copy Ballot is counted, you must: (a) complete your Ballot in accordance with these instructions; (b) clearly indicate your decision either to accept or reject the Plan in the boxes provided in Item 2 of the Ballot; and (c) clearly sign and return your original Ballot (i) in the enclosed pre-addressed envelope or via first-class mail, overnight courier, or hand-delivery to Hollander Sleep Products, LLC, Ballot Processing, c/o Omni Management Group, 5955 DeSoto Avenue, Suite #100, Woodland Hills, CA 91367, in accordance with paragraph 6 below or (ii) by following the instructions on the Debtors' case administration website at www.omnimgt.com/hollander (click "Submit E-Ballot" link) or by emailing the Solicitation Agent at hollanderballots@omnimgt.com. The Debtors' case administration website and the Solicitation Agent's email address are the sole manner in which Ballots in this class will be accepted via electronic or online transmission. **Ballots will not be accepted by facsimile or electronic means (other than the Debtors' case administration website and the Solicitation Agent's email address)**

5. Your Ballot **must** be returned to the Solicitation Agent so as to be **actually received** by the Solicitation Agent on or before the Voting Deadline. **The Voting Deadline is August 28, 2019, at 4:00 p.m., prevailing Eastern Time**.

6. If a Ballot is received after the Voting Deadline (and if the Voting Deadline is not extended), it may be counted only in the sole and absolute discretion of the Debtors. Additionally, **the following Ballots will not be counted**:

   (s) any Ballot that partially rejects and partially accepts the Plan;
   (t) any Ballot sent to the Debtors, the Debtors' agents (other than the Solicitation Agent), any administrative agent, or the Debtors' financial or legal advisors;
   (u) any Ballot sent by facsimile or any electronic means other than via the Debtors' case administration website or the Solicitation Agent's email address;
   (v) any Ballot that is illegible or contains insufficient information to permit the identification of the Holder of the Claim;
   (w) any Ballot cast by an entity that does not hold a Claim in the Class indicated in Item 1 of the Ballot;
   (x) any Ballot submitted by a Holder not entitled to vote pursuant to the Plan;
   (y) any unsigned Ballot;
   (z) any non-original Ballot; and/or
   (aa) any Ballot not marked to accept or reject the Plan or any Ballot marked both to accept and reject the Plan.

7. The method of delivery of a Ballot to the Solicitation Agent is at the election and risk of each Holder of a Claim. Except as otherwise provided herein, such delivery will be deemed made only when the Solicitation Agent **actually receives** the original executed Ballot. In all cases, Holders should allow sufficient time to assure timely delivery.

8. If multiple Ballots are received from the same Holder of a Claim with respect to the same Claim prior to the Voting Deadline, the latest, timely received, and properly completed Ballot will supersede and revoke any earlier received Ballots; *provided* that a Holder may not change its vote in a previously cast Ballot from acceptance to

rejection or from rejection to acceptance without first obtaining authority from the Court pursuant to the requirements of and in compliance with Bankruptcy Rule 3018(a). Accordingly, a Ballot changing a vote in a previously submitted Ballot without authority from the Court will not be counted.

9. You must vote all of your Claims within a Class either to accept or reject the Plan and may not split your vote. Further, if a Holder has multiple Claims within a Class, the Debtors may, in their discretion, aggregate the Claims of any particular Holder with multiple Claims within such Class for the purpose of counting votes.

10. This Ballot does not constitute, and shall not be deemed to be, (a) a Proof of Claim or (b) an assertion or admission of a Claim.

11. **Please be sure to sign and date your Ballot**.

12. If you hold Claims in more than one Class under the Plan you may receive more than one Ballot coded for each different Class. Each Ballot votes only your Claims indicated on that Ballot, so please complete and return each Ballot that you receive.

Please return your Ballot promptly.

If you have any questions regarding this Ballot, these Voting Instructions, or the Solicitation and Voting Procedures, please call the Debtors' restructuring hotline at (844) 212-9942 (toll free) in the United States or Canada, or, if outside of the United States or Canada, +1 (818) 906-8300, or email hollanderballots@omnimgt.com.

If the Solicitation Agent does not actually receive this Ballot on or before the Voting Deadline, which is on August 28, 2019, at 4:00 p.m., prevailing Eastern Time (and if the Voting Deadline is not extended), your vote transmitted hereby may be counted only in the sole and absolute discretion of the Debtors.

Exhibit 3

Non-Impaired Non-Voting Status Notice

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
HOLLANDER SLEEP PRODUCTS, LLC, *et al.*,[1]	)	Case No. 19-11608 (MEW)
Debtors.	)	(Jointly Administered)

NOTICE OF NON-VOTING STATUS TO HOLDERS OF UNIMPAIRED CLAIMS CONCLUSIVELY PRESUMED TO ACCEPT THE PLAN

PLEASE TAKE NOTICE that on [●], 2019, the United States Bankruptcy Court for the Southern District of New York (the "Court") entered an order [Docket No. ●] (the "Disclosure Statement Order"), (a) authorizing Hollander Sleep Products, LLC and its affiliated debtors and debtors in possession (collectively, the "Debtors"), to solicit acceptances for the *Debtors' Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 21] (as modified, amended, or supplemented from time to time, the "Plan"); (b) approving the *Disclosure Statement for the Debtors' Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. [●]] (as modified, amended, or supplemented from time to time, the "Disclosure Statement")[2] as containing "adequate information" pursuant to section 1125 of the Bankruptcy Code; (c) approving the solicitation materials and documents to be included in the solicitation packages; and (d) approving procedures for soliciting, receiving, and tabulating votes on the Plan and for filing objections to the Plan.

PLEASE TAKE FURTHER NOTICE that because of the nature and treatment of your Claim under the Plan, **you are not entitled to vote on the Plan**. Specifically, under the terms of the Plan, as a Holder of a Claim (as currently asserted against the Debtors) that is not impaired and conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code, you are not entitled to vote on the Plan.

PLEASE TAKE FURTHER NOTICE that the hearing at which the Court will consider Confirmation of the Plan (the "Confirmation Hearing") will commence on **September 4, 2019, at 9:00 a.m., prevailing Eastern Time**, before the Honorable Michael E. Wiles, in the United

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors' service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

[2] Capitalized terms not otherwise defined herein shall have the same meanings set forth in the Plan or Disclosure Statement, as applicable.

States Bankruptcy Court for the Southern District of New York, located at One Bowling Green, New York, New York 10004-1408.

PLEASE TAKE FURTHER NOTICE that the deadline for filing objections to the Plan is **August 28, 2019, at 4:00 p.m., prevailing Eastern Time** (the "Plan Objection Deadline"). Any objection to the Plan must: (a) be in writing; (b) conform to the Bankruptcy Rules, the Local Rules, and any orders of the Court; (c) state, with particularity, the basis and nature of any objection to the Plan and, if practicable, a proposed modification to the Plan that would resolve such objection; (d) be filed with the Court (contemporaneously with a proof of service) so as to be actually received on or before **August 28, 2019, at 4:00 p.m., prevailing Eastern Time**; and (e) be served so that it is actually received by the Plan Objection Deadline by each of the entities on the Master Service List (as defined in the case management order in these chapter 11 cases [Docket No. [●]] and available on the Debtors' case website at www.omnimgt.com/hollander).

PLEASE TAKE FURTHER NOTICE that if you would like to obtain a copy of the Disclosure Statement, the Plan, the Plan Supplement, or related documents, you should contact Omni Management Group, the Solicitation Agent retained by the Debtors in these chapter 11 cases, by: (a) calling the Debtors' restructuring hotline at (844) 212-9942 within the United States or Canada or, outside of the United States or Canada, by calling +1 (818) 906-8300; (b) visiting the Debtors' restructuring website at: www.omnimgt.com/hollander; and/or (c) writing to Hollander Sleep Products, LLC, Ballot Processing, c/o Omni Management Group, 5955 DeSoto Avenue, Suite #100, Woodland Hills, CA 91367. You may also obtain copies of any pleadings filed in these chapter 11 cases for a fee via PACER at: http://www.nysb.uscourts.gov.

PLEASE TAKE FURTHER NOTICE that Article VIII of the Plan contains certain release, injunction, and exculpation provisions, including the Third-Party Releases set forth below. You are advised to carefully review and consider the Plan, including the release, injunction, and exculpation provisions, as your rights may be affected.

Article VIII.D of the Plan contains the following Third-Party Release:[3]

Effective as of the Effective Date, in exchange for good and valuable consideration, including the obligations of the Debtors under the Plan and the contributions of the Released Parties in facilitating the expeditious reorganization of the Debtors and the implementation of the restructuring contemplated by the Plan, to the fullest extent permissible under applicable law, as such law may be extended or integrated after the Effective Date, on and

[3] The Released Parties are: (a) the Debtors; (b) the Reorganized Debtors; (c) the Prepetition Secured Lenders; (d) the Prepetition Agents; (e) the DIP Lenders; (f) the DIP Agents; (g) the Exit Facility Lenders; (h) the Exit Facility Agents; (i) the Winning Bidder; (j) the Sponsor; (k) the parties to the RSA; and (l) with respect to each of the foregoing in clauses (a) through (j), such Entity and its current and former Affiliates, and such Entities' and their current Affiliates' directors, managers, officers, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, participants, successors, and assigns, subsidiaries, affiliates, managed accounts or funds, and each of their respective current and former equity holders, officers, directors, managers, principals, shareholders, members, management companies, fund advisors, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals; provided that any of the foregoing that does not consent to the releases shall not be a "Released Party."

after the Effective Date each of the Releasing Parties shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever, released and discharged each Debtor, Reorganized Debtor, and Released Party from any and all any and all Claims, interests, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, including any derivative claims, asserted or assertable on behalf of any of the Debtors, the Reorganized Debtors, or their Estates, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions, the Restructuring Transactions, the Sale Transaction (if applicable), entry into the Exit Facilities, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, filing, or consummation of the RSA, the Disclosure Statement, the DIP Facilities, the Sale Transaction (if applicable), the Exit Facilities, the Plan, the Plan Supplement, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the RSA, the Disclosure Statement, the DIP Facilities, or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, other than claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes actual fraud, willful misconduct, or gross negligence, each solely to the extent as determined by a Final Order of a court of competent jurisdiction. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release any post-Effective Date obligations of any party or Entity under the Plan, any Restructuring Transaction, or any document, instrument, or agreement (including the Exit Facility Documents and any documents set forth in the Plan Supplement) executed to implement the Plan.

* * * * *

This Notice of Non-Voting Status may be returned by mail or by electronic, online transmission solely by emailing the Debtors' Solicitation Agent following the directions described below. Please choose only one method of return of your Notice of Non-Voting Status.

HOW TO OPT INTO THE RELEASES.

1. If you wish to make an election to opt into the release provisions contained in Article VIII.D of the Plan set forth above check the box in Item 1.

2. Review the certifications contained in Item 2.

3. Sign and date this notice of non-voting status and fill out the other required information in the applicable area below.

4. For your election to opt into the release provisions to be counted, your Notice of Non-Voting Status and Opt-In Form must be properly completed and actually received by the solicitation agent no later than **August 28, 2019, at 4:00 p.m., prevailing Eastern Time**. To opt into the release provisions, you may use the postage-paid envelope provided or send your notice of non-voting status to the following address:

Hollander Sleep Products, LLC, Ballot Processing
c/o Omni Management Group
5955 DeSoto Avenue, Suite #100
Woodland Hills, CA 91367

You may also opt into the release provision by emailing your notice of non-voting status to the Debtors' Solicitation Agent at hollanderballots@omnimgt.com. If you choose to submit your Notice of Non-Voting Status and Opt-In Form via email, you should not return a hard copy of your Notice of Non-Voting Status and Opt-In Form by mail.

EMAILING THE DEBTORS' SOLICITATION AGENT IS THE SOLE MANNER IN WHICH NOTICE OF NON-VOTING STATUS MAY BE DELIVERED VIA ELECTRONIC TRANSMISSION.

NOTICES OF NON-VOTING STATUS AND OPT-IN FORM SUBMITTED BY FACSIMILE OR OTHER ELECTRONIC MEANS WILL NOT BE COUNTED.

Item 1. Release.

PLEASE TAKE NOTICE that you may check the box below to opt into the release provisions contained in Article VIII.D of the Plan and set forth above.

IF YOU OPT INTO THE RELEASE PROVISIONS BY CHECKING THE BOX BELOW AND PROPERLY AND TIMELY SUBMITTING THIS NOTICE OF NON-VOTING STATUS, YOU WILL BE DEEMED TO HAVE UNCONDITIONALLY, IRREVOCABLY, AND FOREVER RELEASED AND DISCHARGED THE RELEASED PARTIES (AS DEFINED IN THE PLAN) FROM, AMONG OTHER THINGS, ANY AND ALL CAUSES OF ACTION (AS DEFINED IN THE PLAN) EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED IN THE PLAN. IF YOU WOULD OTHERWISE BE ENTITLED TO A RELEASE UNDER ARTICLE VIII.D OF THE PLAN, BUT YOU DO NOT GRANT THE RELEASES CONTAINED IN ARTICLE VIII.D OF THE PLAN, THEN YOU SHALL NOT RECEIVE THE BENEFIT OF THE RELEASES SET FORTH IN ARTICLE VIII.D OF THE PLAN.

☐ **Opt Into** the Third-Party Release.

Item 2. Certification.

By returning this Notice of Non-Voting Status and Opt-In Form, the holder of the Unimpaired Claim(s) or Interest(s) identified below certifies that (a) it was the holder of Unimpaired Claim(s) or Interest(s) as of the Record Date and/or it has full power and authority to opt into the Third-Party Release for the Unimpaired Claim(s) or Interest(s) identified below with respect to such Unimpaired Claim(s) or Interest(s) and (b) it understands the scope of the releases.

YOUR RECEIPT OF THIS NOTICE OF NON-VOTING STATUS DOES NOT SIGNIFY THAT YOUR CLAIM OR INTEREST HAS BEEN OR WILL BE ALLOWED.

Name of Holder:	_____ (Print or Type)
Signature:	_____
Name of Signatory:	_____ (If other than Holder)
Title:	_____
Address:	_____
	_____
	_____
Telephone Number:	_____
Email:	_____
Date Completed:	_____

Exhibit 4

Impaired Non-Voting Status Notice

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
HOLLANDER SLEEP PRODUCTS, LLC, *et al.*,[1]	)	Case No. 19-11608 (MEW)
Debtors.	)	(Jointly Administered)

NOTICE OF NON-VOTING STATUS TO HOLDERS OF IMPAIRED CLAIMS AND EQUITY INTERESTS DEEMED TO REJECT THE PLAN

PLEASE TAKE NOTICE that on [●], 2019, the United States Bankruptcy Court for the Southern District of New York (the "Court") entered an order [Docket No. ●] (the "Disclosure Statement Order"), (a) authorizing Hollander Sleep Products, LLC and its affiliated debtors and debtors in possession (collectively, the "Debtors"), to solicit acceptances for the *Debtors' Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 21] (as modified, amended, or supplemented from time to time, the "Plan"); (b) approving the *Disclosure Statement for the Debtors' Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. [●]] (as modified, amended, or supplemented from time to time, the "Disclosure Statement")[2] as containing "adequate information" pursuant to section 1125 of the Bankruptcy Code; (c) approving the solicitation materials and documents to be included in the solicitation packages; and (d) approving procedures for soliciting, receiving, and tabulating votes on the Plan and for filing objections to the Plan.

PLEASE TAKE FURTHER NOTICE that because of the nature and treatment of your Claim or Interest under the Plan, **you are not entitled to vote on the Plan**. Specifically, under the terms of the Plan, as a Holder of a Claim or Interest (as currently asserted against the Debtors) that is receiving no distribution under the Plan, you are deemed to reject the Plan pursuant to section 1126(f) of the Bankruptcy Code and are not entitled to vote on the Plan.

PLEASE TAKE FURTHER NOTICE that the hearing at which the Court will consider Confirmation of the Plan (the "Confirmation Hearing") will commence on **September 4, 2019, at 9:00 a.m., prevailing Eastern Time**, before the Honorable Michael E. Wiles, in the United

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors' service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

[2] Capitalized terms not otherwise defined herein shall have the same meanings set forth in the Plan or Disclosure Statement, as applicable.

States Bankruptcy Court for the Southern District of New York, located at One Bowling Green, New York, New York 10004-1408.

PLEASE TAKE FURTHER NOTICE that the deadline for filing objections to the Plan is **August 28, 2019, at 4:00 p.m., prevailing Eastern Time** (the "Plan Objection Deadline"). Any objection to the Plan must: (a) be in writing; (b) conform to the Bankruptcy Rules, the Local Rules, and any orders of the Court; (c) state, with particularity, the basis and nature of any objection to the Plan and, if practicable, a proposed modification to the Plan that would resolve such objection; (d) be filed with the Court (contemporaneously with a proof of service) so as to be actually received on or before **August 28, 2019, at 4:00 p.m., prevailing Eastern Time**; and (e) be served so that it is actually received by the Plan Objection Deadline by each of the entities on the Master Service List (as defined in the case management order in these chapter 11 cases [Docket No. [●]] and available on the Debtors' case website at www.omnimgt.com/hollander).

PLEASE TAKE FURTHER NOTICE that if you would like to obtain a copy of the Disclosure Statement, the Plan, the Plan Supplement, or related documents, you should contact Omni Management Group, the Solicitation Agent retained by the Debtors in these chapter 11 cases, by: (a) calling the Debtors' restructuring hotline at (844) 212-9942 within the United States or Canada or, outside of the United States or Canada, by calling +1 (818) 906-8300; (b) visiting the Debtors' restructuring website at: www.omnimgt.com/hollander; and/or (c) writing to Hollander Sleep Products, LLC, Ballot Processing, c/o Omni Management Group, 5955 DeSoto Avenue, Suite #100, Woodland Hills, CA 91367. You may also obtain copies of any pleadings filed in these chapter 11 cases for a fee via PACER at: http://www.nysb.uscourts.gov.

PLEASE TAKE FURTHER NOTICE that Article VIII of the Plan contains certain release, injunction, and exculpation provisions, including the Third-Party Releases set forth below. You are advised to carefully review and consider the Plan, including the release, injunction, and exculpation provisions, as your rights may be affected.

Article VIII.D of the Plan contains the following Third-Party Release:[3]

Effective as of the Effective Date, in exchange for good and valuable consideration, including the obligations of the Debtors under the Plan and the contributions of the Released Parties in facilitating the expeditious reorganization of the Debtors and the implementation of the restructuring contemplated by the Plan, to the fullest extent permissible under applicable law, as such law may be extended or integrated after the Effective Date, on and

[3] The Released Parties are: (a) the Debtors; (b) the Reorganized Debtors; (c) the Prepetition Secured Lenders; (d) the Prepetition Agents; (e) the DIP Lenders; (f) the DIP Agents; (g) the Exit Facility Lenders; (h) the Exit Facility Agents; (i) the Winning Bidder; (j) the Sponsor; (k) the parties to the RSA; and (l) with respect to each of the foregoing in clauses (a) through (j), such Entity and its current and former Affiliates, and such Entities' and their current Affiliates' directors, managers, officers, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, participants, successors, and assigns, subsidiaries, affiliates, managed accounts or funds, and each of their respective current and former equity holders, officers, directors, managers, principals, shareholders, members, management companies, fund advisors, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals; provided that any of the foregoing that does not consent to the releases shall not be a "Released Party."

after the Effective Date each of the Releasing Parties shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever, released and discharged each Debtor, Reorganized Debtor, and Released Party from any and all any and all Claims, interests, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, including any derivative claims, asserted or assertable on behalf of any of the Debtors, the Reorganized Debtors, or their Estates, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions, the Restructuring Transactions, the Sale Transaction (if applicable), entry into the Exit Facilities, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, filing, or consummation of the RSA, the Disclosure Statement, the DIP Facilities, the Sale Transaction (if applicable), the Exit Facilities, the Plan, the Plan Supplement, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the RSA, the Disclosure Statement, the DIP Facilities, or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, other than claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes actual fraud, willful misconduct, or gross negligence, each solely to the extent as determined by a Final Order of a court of competent jurisdiction. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release any post-Effective Date obligations of any party or Entity under the Plan, any Restructuring Transaction, or any document, instrument, or agreement (including the Exit Facility Documents and any documents set forth in the Plan Supplement) executed to implement the Plan.

* * * * *

This Notice of Non-Voting Status may be returned by mail or by electronic, online transmission solely by emailing the Debtors' Solicitation Agent following the directions described below. Please choose only one method of return of your Notice of Non-Voting Status.

HOW TO OPT INTO THE RELEASES.

1. If you wish to make an election to opt into the release provisions contained in Article VIII.D of the Plan set forth above check the box in Item 1.

2. Review the certifications contained in Item 2.

3. Sign and date this notice of non-voting status and fill out the other required information in the applicable area below.

4. For your election to opt into the release provisions to be counted, your Notice of Non-Voting Status and Opt-In Form must be properly completed and actually received by the solicitation agent no later than **August 28, 2019, at 4:00 p.m., prevailing Eastern Time**. To opt into the release provisions, you may use the postage-paid envelope provided or send your notice of non-voting status to the following address:

Hollander Sleep Products, LLC, Ballot Processing
c/o Omni Management Group
5955 DeSoto Avenue, Suite #100
Woodland Hills, CA 91367

You may also opt into the release provision by emailing your notice of non-voting status to the Debtors' Solicitation Agent at hollanderballots@omnimgt.com. If you choose to submit your Notice of Non-Voting Status and Opt-In Form via email, you should not return a hard copy of your Notice of Non-Voting Status and Opt-In Form by mail.

EMAILING THE DEBTORS' SOLICITATION AGENT IS THE SOLE MANNER IN WHICH NOTICE OF NON-VOTING STATUS MAY BE DELIVERED VIA ELECTRONIC TRANSMISSION.

NOTICES OF NON-VOTING STATUS AND OPT-IN FORM SUBMITTED BY FACSIMILE OR OTHER ELECTRONIC MEANS WILL NOT BE COUNTED.

Item 1. Release.

PLEASE TAKE NOTICE that you may check the box below to opt into the release provisions contained in Article VIII.D of the Plan and set forth above.

IF YOU OPT INTO THE RELEASE PROVISIONS BY CHECKING THE BOX BELOW AND PROPERLY AND TIMELY SUBMITTING THIS NOTICE OF NON-VOTING STATUS, YOU WILL BE DEEMED TO HAVE UNCONDITIONALLY, IRREVOCABLY, AND FOREVER RELEASED AND DISCHARGED THE RELEASED PARTIES (AS DEFINED IN THE PLAN) FROM, AMONG OTHER THINGS, ANY AND ALL CAUSES OF ACTION (AS DEFINED IN THE PLAN) EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED IN THE PLAN. IF YOU WOULD OTHERWISE BE ENTITLED TO A RELEASE UNDER ARTICLE VIII.D OF THE PLAN, BUT YOU DO NOT GRANT THE RELEASES CONTAINED IN ARTICLE VIII.D OF THE PLAN, THEN YOU SHALL NOT RECEIVE THE BENEFIT OF THE RELEASES SET FORTH IN ARTICLE VIII.D OF THE PLAN.

☐ **Opt Into** the Third-Party Release.

Item 2. Certification.

By returning this Notice of Non-Voting Status and Opt-In Form, the holder of the Impaired Claim(s) or Interest(s) identified below certifies that (a) it was the holder of Impaired Claim(s) or Interest(s) as of the Record Date and/or it has full power and authority to opt into the Third-Party Release for the Impaired Claim(s) or Interest(s) identified below with respect to such Impaired Claim(s) or Interest(s) and (b) it understands the scope of the releases.

YOUR RECEIPT OF THIS NOTICE OF NON-VOTING STATUS DOES NOT SIGNIFY THAT YOUR CLAIM OR INTEREST HAS BEEN OR WILL BE ALLOWED.

Name of Holder:	_____ (Print or Type)
Signature:	_____
Name of Signatory:	_____ (If other than Holder)
Title:	_____
Address:	_____
	_____
	_____
Telephone Number:	_____
Email:	_____
Date Completed:	_____

Exhibit 5

Notice to Disputed Claim Holders

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
HOLLANDER SLEEP PRODUCTS, LLC, *et al.*,[1]	)	Case No. 19-11608 (MEW)
Debtors.	)	(Jointly Administered)

NOTICE OF NON-VOTING STATUS WITH RESPECT TO DISPUTED CLAIMS

PLEASE TAKE NOTICE that on [●], 2019, the United States Bankruptcy Court for the Southern District of New York (the "Court") entered an order [Docket No. [●]] (the "Disclosure Statement Order"), (a) authorizing Hollander Sleep Products, LLC and its affiliated debtors and debtors in possession (collectively, the "Debtors"), to solicit acceptances for the *Debtors' Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* (as modified, amended, or supplemented from time to time, the "Plan") [Docket No. 21]; (b) approving the *Disclosure Statement for the Debtors' Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. [●]] (as modified, amended, or supplemented from time to time, the "Disclosure Statement")[2] as containing "adequate information" pursuant to section 1125 of the Bankruptcy Code; (c) approving the solicitation materials and documents to be included in the solicitation packages; and (d) approving procedures for soliciting, receiving, and tabulating votes on the Plan and for filing objections to the Plan.

PLEASE TAKE FURTHER NOTICE that the Disclosure Statement, Disclosure Statement Order, the Plan, and other documents and materials included in the Solicitation Package, except ballots, may be obtained at no charge from Omni Management Group, the Solicitation Agent retained by the Debtors in these chapter 11 cases (the "Solicitation Agent") by: (a) calling the Debtors' restructuring hotline at (844) 212-9942 within the United States or Canada, or outside of the United States or Canada, by calling +1 (818) 906-8300 (international); (b) visiting the Debtors' restructuring website at: www.omnimgt.com/hollander; and/or (c) writing to Hollander Sleep Products, LLC, Ballot Processing, c/o Omni Management Group, 5955 DeSoto Avenue, Suite #100, Woodland Hills, CA 91367. You may also obtain copies of any pleadings filed in these chapter 11 cases for a fee via PACER at: http://www.nysb.uscourts.gov.

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors' service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

[2] Capitalized terms not otherwise defined herein shall have the same meanings set forth in the Plan or Disclosure Statement, as applicable.

PLEASE TAKE FURTHER NOTICE that you are receiving this notice because you are the Holder of a Claim that is subject to a pending objection by the Debtors. **You are not entitled to vote any disputed portion of your Claim on the Plan unless one or more of the following events have taken place before a date that is three business days before the Voting Deadline** (each, a "Resolution Event"):

1. an order of the Court is entered allowing such Claim pursuant to section 502(b) of the Bankruptcy Code, after notice and a hearing;

2. an order of the Court is entered temporarily allowing such Claim for voting purposes only pursuant to Bankruptcy Rule 3018(a), after notice and a hearing;

3. a stipulation or other agreement is executed between the Holder of such Claim and the Debtors temporarily allowing the Holder of such Claim to vote its Claim in an agreed upon amount; or

4. the pending objection to such Claim is voluntarily withdrawn by the objecting party.

Accordingly, this notice and the Disclosure Statement Order are being sent to you for informational purposes only.

PLEASE TAKE FURTHER NOTICE that if a Resolution Event occurs, then no later than one (1) business day thereafter, the Solicitation Agent shall distribute a ballot, and a pre-addressed, postage pre-paid envelope to you, which must be returned to the Solicitation Agent no later than the Voting Deadline, which is on **August 28, 2019, at 4:00 p.m., prevailing Eastern Time**.

PLEASE TAKE FURTHER NOTICE that if you have any questions about the status of any of your Claims, you should contact the Solicitation Agent in accordance with the instructions provided above.

* * * * *

New York, New York
Dated: _____, 2019

Joshua A. Sussberg, P.C.
Christopher T. Greco, P.C.
KIRKLAND & ELLIS LLP
KIRKLAND & ELLIS INTERNATIONAL LLP
601 Lexington Avenue
New York, New York 10022
Telephone: (212) 446-4800
Facsimile: (212) 446-4900

- and -

Joseph M. Graham (admitted *pro hac vice*)
KIRKLAND & ELLIS LLP
KIRKLAND & ELLIS INTERNATIONAL LLP
300 North LaSalle Street
Chicago, Illinois 60654
Telephone: (312) 862-2000
Facsimile: (312) 862-2200

Proposed Counsel to the Debtors and Debtors in Possession

Exhibit 6

Cover Letter

HOLLANDER

SLEEP PRODUCTS

[DATE]

Via First Class Mail

RE: *In re Hollander Sleep Products, LLC, et al.*, Chapter 11 Case No. 19-11608 (MEW) (Bankr. S.D.N.Y.)

TO ALL HOLDERS OF CLAIMS ENTITLED TO VOTE ON THE PLAN:

Hollander Sleep Products, LLC and its affiliated debtors and debtors in possession (collectively, the "Debtors")[1] each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of New York (the "Court") on May 19, 2019.

You have received this letter and the enclosed materials because you are entitled to vote on the *Debtors' Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 21] (as modified, amended, or supplemented from time to time, the "Plan"). On [●], 2019, the Court entered an order [Docket No. [●]] (the "Disclosure Statement Order"), (a) authorizing the Debtors to solicit acceptances for the Plan; (b) approving the *Disclosure Statement for the Debtors' Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. [●]] (as modified, amended, or supplemented from time to time, the "Disclosure Statement")[2] as containing "adequate information" pursuant to section 1125 of the Bankruptcy Code; (c) approving the solicitation materials and documents to be included in the solicitation packages (the "Solicitation Package"); and (d) approving procedures for soliciting, receiving, and tabulating votes on the Plan, and for filing objections to the Plan.

You are receiving this letter because you are entitled to vote on the Plan. Therefore, you should read this letter carefully and discuss it with your attorney. If you do not have an attorney, you may wish to consult one.

In addition to this cover letter, the enclosed materials comprise your Solicitation Package, and were approved by the Court for distribution to Holders of Claims in connection with the solicitation of votes to accept the Plan. The Solicitation Package consists of the following:

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors' service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

[2] Capitalized terms not otherwise defined herein shall have the same meanings set forth in the Plan or Disclosure Statement, as applicable.

a. a copy of the solicitation and voting procedures attached as **Exhibit 1** to the Disclosure Statement Order;

b. a Ballot, together with detailed voting instructions and a pre-addressed, postage pre-paid return envelope;

c. this letter;

d. the Disclosure Statement, as approved by the Court (and exhibits thereto, including the Plan);

e. the Disclosure Statement Order (excluding the exhibits thereto);

f. the notice of the hearing to consider confirmation of the Plan; and

g. such other materials as the Court may direct.

Hollander Sleep Products, LLC (on behalf of itself and each of the other Debtors) has approved the filing of the Plan and the solicitation of votes to accept the Plan. The Debtors believe that the acceptance of the Plan is in the best interests of their estates, Holders of Claims and Interests, and all other parties in interest. Moreover, the Debtors believe that any alternative other than Confirmation of the Plan could result in extensive delays and increased administrative expenses, which, in turn, likely would result in smaller distributions (or no distributions) on account of Claims asserted in these chapter 11 cases.

The Debtors strongly urge you to properly and timely submit your Ballot casting a vote to accept the Plan in accordance with the instructions in your Ballot.

The Voting Deadline is August 28, 2019, at 4:00 p.m., prevailing Eastern Time.

The materials in the Solicitation Package are intended to be self-explanatory. If you should have any questions, however, please feel free to contact Omni Management Group, the Solicitation Agent retained by the Debtors in these chapter 11 cases (the "Solicitation Agent"), by: (a) calling the Debtors' restructuring hotline at (844) 212-9942 in the United States or Canada, or, outside of the United States or Canada by calling +1 (818) 906-8300; (b) visiting the Debtors' restructuring website at: www.omnimgt.com/hollander; and/or (c) writing to Hollander Sleep Products, LLC, Ballot Processing, c/o Omni Management Group, 5955 DeSoto Avenue, Suite #100, Woodland Hills, CA 91367. You may also obtain copies of any pleadings filed in these chapter 11 cases for a fee via PACER at: http://www.nysb.uscourts.gov. Please be advised that the Solicitation Agent is authorized to answer questions about the Plan solicitation process, and provide additional copies of solicitation materials, but may not advise you as to whether you should vote to accept or reject the Plan.

Sincerely,

_____

Marc. L. Pfefferle
Chief Executive Officer

Exhibit 7

Confirmation Hearing Notice

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
HOLLANDER SLEEP PRODUCTS, LLC, *et al.*,[1]	)	Case No. 19-11608 (MEW)
Debtors.	)	(Jointly Administered)

NOTICE OF HEARING TO CONSIDER CONFIRMATION OF THE CHAPTER 11 PLAN FILED BY THE DEBTORS AND RELATED VOTING AND OBJECTION DEADLINES

PLEASE TAKE NOTICE that on [●], 2019, the United States Bankruptcy Court for the Southern District of New York (the "Court") entered an order [Docket No. [●]] (the "Disclosure Statement Order"), (a) authorizing Hollander Sleep Products, LLC and its affiliated debtors and debtors in possession (collectively, the "Debtors"), to solicit acceptances for the *Debtors' Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 21] (as modified, amended, or supplemented from time to time, the "Plan"); (b) approving the *Disclosure Statement for the Debtors' Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. [●]] (as modified, amended, or supplemented from time to time, the "Disclosure Statement")[2] as containing "adequate information" pursuant to section 1125 of the Bankruptcy Code; (c) approving the solicitation materials and documents to be included in the solicitation packages; and (d) approving procedures for soliciting, receiving, and tabulating votes on the Plan and for filing objections to the Plan.

PLEASE TAKE FURTHER NOTICE that the hearing at which the Court will consider Confirmation of the Plan (the "Confirmation Hearing") will commence on **September 4, 2019, at 9:00 a.m., prevailing Eastern Time**, before the Honorable Michael E. Wiles, in the United States Bankruptcy Court for the Southern District of New York, located at One Bowling Green, New York, New York 10004-1408.

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors' service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

[2] Capitalized terms not otherwise defined herein shall have the same meanings set forth in the Plan or Disclosure Statement, as applicable.

Please be advised: The Confirmation Hearing may be continued from time to time by the Court or the Debtors without further notice other than by such adjournment being announced in open court, by agenda filed with the Court, or by a notice of adjournment filed with the Court and served on all parties entitled to notice.

CRITICAL INFORMATION REGARDING VOTING ON THE PLAN

Voting Record Date. The voting record date is **July 24, 2019** (the "Voting Record Date"), which is the date for determining which Holders of Claims in Classes 4, 5, and 6 are entitled to vote on the Plan.

Voting Deadline. The deadline for voting on the Plan is on **August 28, 2019, at 4:00 p.m., prevailing Eastern Time** (the "Voting Deadline"). If you received a Solicitation Package, including a Ballot, and intend to vote on the Plan, you must: (a) follow the instructions carefully; (b) complete all of the required information on the Ballot; and (c) execute and return your completed Ballot according to and as set forth in detail in the voting instructions so that it is actually received by the Debtors' solicitation agent, Omni Management Group (the "Solicitation Agent") on or before the Voting Deadline. **A failure to follow such instructions may disqualify your vote**.

CRITICAL INFORMATION REGARDING OBJECTING TO THE PLAN

Article VIII of the Plan contains Release, Exculpation, and Injunction provisions, and Article VIII.D contains a Third-Party Release. Thus, you are advised to review and consider the Plan carefully because your rights might be affected thereunder.

Plan Objection Deadline. The deadline for filing objections to the Plan is **August 28, 2019, at 4:00 p.m., prevailing Eastern Time** (the "Plan Objection Deadline"). All objections to the relief sought at the Confirmation Hearing must: (a) be in writing; (b) conform to the Bankruptcy Rules, the Local Rules, and any orders of the Court; (c) state, with particularity, the legal and factual basis for the objection and, if practicable, a proposed modification to the Plan (or related materials) that would resolve such objection; (d) be filed with the Court (contemporaneously with a proof of service) and so as to be actually received on or before **August 28, 2019, at 4:00 p.m., prevailing Eastern Time**; and (e) be served so that it is actually received by the Plan Objection Deadline by each of the entities on the Master Service List (as defined in the case management order in these chapter 11 cases [Docket No. [●]] and available on the Debtors' case website at www.omnimgt.com/hollander).

ADDITIONAL INFORMATION

Obtaining Solicitation Materials. The materials in the Solicitation Package are intended to be self-explanatory. If you should have any questions or if you would like to obtain additional solicitation materials (or paper copies of solicitation materials if you received a flash drive or CD-ROM), please feel free to contact the Debtors' Solicitation Agent, by: (a) calling the Debtors' restructuring hotline at (844) 212-9942 within the United States or Canada or, outside of the United States or Canada, by calling +1 (818) 906-8300; (b) visiting the Debtors' restructuring website at: www.omnimgt.com/hollander; and/or (c) writing to Hollander Sleep Products, LLC, Ballot

Processing, c/o Omni Management Group, 5955 DeSoto Avenue, Suite #100, Woodland Hills, CA 91367. You may also obtain copies of any pleadings filed in these Chapter 11 Cases for a fee via PACER at: http://www.nysb.uscourts.gov. Please be advised that the Solicitation Agent is authorized to answer questions about, and provide additional copies of, solicitation materials, but may not advise you as to whether you should vote to accept or reject the Plan.

Filing the Plan Supplement. The Debtors will file the Plan Supplement (as defined in the Plan) on or before **August 21, 2019**. Once filed, the Plan Supplement may be obtained from the Solicitation Agent for free or for a fee via PACER, each as set forth above.

Binding Nature of the Plan:

If confirmed, the Plan shall bind all Holders of Claims and Interests to the maximum extent permitted by applicable law, whether or not such Holder will receive or retain any property or interest in property under the Plan, has filed a Proof of Claim in these chapter 11 cases, or failed to vote to accept or reject the Plan or voted to reject the Plan.

HOW TO OPT INTO THE RELEASES

Any Holder of a Claim or Interest that wants to grant the Third-Party Release set forth in Article VIII.D of the Plan must return its Ballot or Non-Voting Status Notice, as applicable, to the Debtors' Solicitation Agent, Omni Management Group, by no later than **August 28, 2019**, by following the instructions for electing to opt into the Third-Party Release set forth in such Ballot or Non-Voting Status Notice, as applicable.[3]

RELEASES

Article VIII.C of the Plan contains the following Debtor Release:

Effective as of the Effective Date, pursuant to section 1123(b) of the Bankruptcy Code, for good and valuable consideration, including the service of the Released Parties in facilitating the expeditious reorganization of the Debtor and implementation of the restructuring contemplated by the Plan, the adequacy of which is hereby confirmed, on and after the Effective Date each Released Party is deemed released and discharged by each and all of the Debtors, the Reorganized Debtors, and their Estates, in each case on behalf of themselves and their respective successors, assigns, and representatives, and any and all other Entities who may purport to assert any Cause of Action, directly or derivatively, by, through, for, or because of the foregoing Entities, from any and all Claims, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, including any derivative claims, asserted or assertable on behalf of any of the Debtors, the Reorganized Debtors, or their Estates, as applicable, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, that the Debtors, the Reorganized Debtors, or their Estates or Affiliates would have been legally entitled to assert in their own right

[3] Voting stakeholders who vote to accept the Plan will be deemed to consent to the Third-Party Release whether such voting stakeholders check the box on their respective Ballot to "opt into" the Third-Party Release or not.

(whether individually or collectively) or on behalf of the Holder of any Claim against, or Interest in, a Debtor or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions, the Restructuring Transactions, the Sale Transaction (if applicable), entry into the Exit Facilities, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, filing, or consummation of the RSA, the Disclosure Statement, the Prepetition Facilities, the DIP Facilities, the Sale Transaction (if applicable), the Exit Facilities, the Plan, the Plan Supplement, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the RSA, the Disclosure Statement, the Prepetition Facilities, the DIP Facilities, or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, other than claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes actual fraud, willful misconduct, or gross negligence, each solely to the extent as determined by a Final Order of a court of competent jurisdiction. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release (1) any post-Effective Date obligations of any party or Entity under the Plan, any Restructuring Transaction, or any document, instrument, or agreement (including the Exit Facility Documents and any documents set forth in the Plan Supplement) executed to implement the Plan and (2) any Retained Causes of Action.

Article VIII.D of the Plan contains the following Third-Party Release:

Effective as of the Effective Date, in exchange for good and valuable consideration, including the obligations of the Debtors under the Plan and the contributions of the Released Parties in facilitating the expeditious reorganization of the Debtors and the implementation of the restructuring contemplated by the Plan, to the fullest extent permissible under applicable law, as such law may be extended or integrated after the Effective Date, on and after the Effective Date each of the Releasing Parties shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever, released and discharged each Debtor, Reorganized Debtor, and Released Party from any and all any and all Claims, interests, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, including any derivative claims, asserted or assertable on behalf of any of the Debtors, the Reorganized Debtors, or their Estates, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions, the

Restructuring Transactions, the Sale Transaction (if applicable), entry into the Exit Facilities, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, filing, or consummation of the RSA, the Disclosure Statement, the DIP Facilities, the Sale Transaction (if applicable), the Exit Facilities, the Plan, the Plan Supplement, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the RSA, the Disclosure Statement, the DIP Facilities, or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, other than claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes actual fraud, willful misconduct, or gross negligence, each solely to the extent as determined by a Final Order of a court of competent jurisdiction. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release any post-Effective Date obligations of any party or Entity under the Plan, any Restructuring Transaction, or any document, instrument, or agreement (including the Exit Facility Documents and any documents set forth in the Plan Supplement) executed to implement the Plan.

Article VIII.E of the Plan provides for the following Exculpation:

Effective as of the Effective Date, to the fullest extent permissible under applicable law and without affecting or limiting either the Debtor Release or the Third-Party Release, and notwithstanding anything herein to the contrary, on and after the Effective Date the Exculpated Parties shall neither have nor incur, and each Exculpated Party is released and exculpated from, any liability to any Holder of a Cause of Action, Claim, or Interest for any act or omission in connection with, relating to, or arising out of, the Chapter 11 Cases, consummation of the Sale Transaction (if applicable), the formulation, preparation, dissemination, negotiation, filing, or consummation of the RSA, the Disclosure Statement, the Plan, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the RSA, the Disclosure Statement or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance of securities pursuant to the Plan or the distribution of property under the Plan or any other related agreement (whether or not such issuance or distribution occurs following the Effective Date), negotiations regarding or concerning any of the foregoing, or the administration of the Plan or property to be distributed hereunder, except for actions determined by Final Order to have constituted actual fraud, willful misconduct, or gross negligence, but in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan. The Exculpated Parties have, and upon completion of the Plan shall be deemed to have, participated in good faith and in compliance with the applicable laws with regard to the solicitation of votes and distribution of consideration pursuant to the Plan and, therefore, are not, and on account of such distributions shall not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan. Notwithstanding the

foregoing, the Exculpation shall not release any obligation or liability of any Entity under the Plan or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan.

Article VIII.F of the Plan provides for the following Injunction:

Effective as of the Effective Date, pursuant to section 524(a) of the Bankruptcy Code, to the fullest extent permissible under applicable law, and except as otherwise expressly provided in the Plan or for obligations issued or required to be paid pursuant to the Plan or the Confirmation Order, all Entities who have held, hold, or may hold Claims or Interests that have been discharged pursuant to Article VIII.A of the Plan, released pursuant to the Debtor Release, the Third-Party Release, or another provision of the Plan (including the release of liens pursuant to Article VIII.B of the Plan), or are subject to exculpation pursuant to Article VIII.E of the Plan, are permanently enjoined, from and after the Effective Date, from taking any of the following actions against, as applicable, the Debtors, the Reorganized Debtors, the Exculpated Parties, or the Released Parties: (1) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests; (2) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against such Entities on account of or in connection with or with respect to any such Claims or Interests; (3) creating, perfecting, or enforcing any encumbrance of any kind against such Entities or the property or the estates of such Entities on account of or in connection with or with respect to any such Claims or Interests; (4) asserting any right of setoff, subrogation, or recoupment of any kind, against any obligation due from such Entities or against the property of such Entities on account of or in connection with or with respect to any such Claims or Interests unless such Holder has Filed a motion requesting the right to perform such setoff on or before the Effective Date, and notwithstanding an indication of a Claim or Interest or otherwise that such Holder asserts, has, or intends to preserve any right of setoff pursuant to applicable law or otherwise; and (5) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests released or settled pursuant to the Plan.

New York, New York
Dated: _____, 2019

Joshua A. Sussberg, P.C.
Christopher T. Greco, P.C.
KIRKLAND & ELLIS LLP
KIRKLAND & ELLIS INTERNATIONAL LLP
601 Lexington Avenue
New York, New York 10022
Telephone: (212) 446-4800
Facsimile: (212) 446-4900

- and -

Joseph M. Graham (admitted *pro hac vice*)
KIRKLAND & ELLIS LLP
KIRKLAND & ELLIS INTERNATIONAL LLP
300 North LaSalle Street
Chicago, Illinois 60654
Telephone: (312) 862-2000
Facsimile: (312) 862-2200

Proposed Counsel to the Debtors and Debtors in Possession

Exhibit 8

Notice of Assumption of Executory Contracts and Unexpired Leases

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
HOLLANDER SLEEP PRODUCTS, LLC, *et al.*,[1]	)	Case No. 19-11608 (MEW)
Debtors.	)	(Jointly Administered)

NOTICE OF (A) EXECUTORY CONTRACTS AND UNEXPIRED LEASES TO BE ASSUMED BY THE DEBTORS PURSUANT TO THE PLAN, (B) CURE AMOUNTS, IF ANY, AND (C) RELATED PROCEDURES IN CONNECTION THEREWITH

PLEASE TAKE NOTICE that on [●], 2019, the United States Bankruptcy Court for the Southern District of New York (the "Court") entered an order [Docket No. [●]] (the "Disclosure Statement Order"), (a) authorizing Hollander Sleep Products, LLC and its affiliated debtors and debtors in possession (collectively, the "Debtors"), to solicit acceptances for the *Debtors' Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 21] (as modified, amended, or supplemented from time to time, the "Plan"); (b) approving the *Disclosure Statement for the Debtors' Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. [●]] (as modified, amended, or supplemented from time to time, the "Disclosure Statement")[2] as containing "adequate information" pursuant to section 1125 of the Bankruptcy Code; (c) approving the solicitation materials and documents to be included in the solicitation packages; and (d) approving procedures for soliciting, receiving, and tabulating votes on the Plan and for filing objections to the Plan.

PLEASE TAKE FURTHER NOTICE that under the terms of Article V of the Plan, each Executory Contract and Unexpired Lease of a Debtor will be deemed automatically assumed pursuant to sections 365 and 1123 of the Bankruptcy Code on the Effective Date of the Plan, other than those that:

1. are identified on the Schedule of Rejected Executory Contracts and Unexpired Leases;

2. previously expired or terminated pursuant to its own terms;

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors' service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

[2] Capitalized terms not otherwise defined herein shall have the same meanings set forth in the Plan or Disclosure Statement, as applicable.

3. have been previously assumed or rejected by the Debtors pursuant to a Court order;

4. are the subject of a motion to reject Executory Contracts or Unexpired Leases that is pending on the Effective Date; or

5. are subject to a motion to reject an Executory Contract or Unexpired Lease pursuant to which the requested effective date of such rejection is after the Effective Date.

You are receiving this notice because you or one of your affiliates is a counterparty to an Executory Contract or Unexpired Lease[3] with one or more of the Debtors as listed on **Exhibit A**, attached hereto.

The Debtors intend to assume the Executory Contracts or Unexpired Leases listed on Exhibit A to which you are a counterparty. The Debtors have conducted a review of the Debtors' books and records and have determined that the amount to cure unpaid obligations under such contract or lease is as set forth in **Exhibit A** (the "Cure Claim"). Unless otherwise ordered by the Court, any objection by a counterparty to an Executory Contract or Unexpired Lease to a proposed assumption and assignment or related Cure Claim must be filed with the Court and served on **[●], 2019, at 4:00 p.m., prevailing Eastern Time**, the date that is 14 days from the date of this notice, and served so that it is actually received by each of the entities on the Master Service List (as defined in the case management order in these chapter 11 cases [Docket No. [●]] and available on the Debtors' case website at www.omnimgt.com/hollander). If you fail to object in a timely manner to the proposed assumption or Cure Claim with respect to any Executory Contract or Unexpired Lease, you will be deemed to have assented to such assumption and Cure Claim.

PLEASE TAKE FURTHER NOTICE that in the event of a dispute regarding: (1) the amount of any Cure Claim, (2) the ability of the Reorganized Debtors or any assignee to provide "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code) under the Executory Contract or Unexpired Lease to be assumed, or (3) any other matter pertaining to assumption or the cure payments required by section 365(b)(1) of the Bankruptcy Code, the Cure Claim shall only be paid following the entry of a Final Order or Final Orders resolving the dispute and approving the assumption (and, if applicable, assignment).

PLEASE TAKE FURTHER NOTICE that the assumption of an Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall result in the full release and satisfaction of any Claims or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any Assumed Executory Contract or Unexpired Lease at any time before the date that the Debtors assume such Executory Contract or Unexpired Lease. Any Proofs of Claim Filed with respect to an Executory Contract or Unexpired Lease that has been assumed shall be deemed disallowed and expunged, without further notice to or action, order, or approval of the Court.

3 This notice is being sent to counterparties to Executory Contracts and Unexpired Leases. This notice is not an admission by the Debtors that such contract or lease is executory or unexpired.

YOUR STATUS AS A COUNTERPARTY TO AN EXECUTORY CONTRACT AND/OR AN UNEXPIRED LEASE DOES NOT IN AND OF ITSELF ENTITLE YOU TO VOTE ON THE PLAN. Accordingly, this notice is being sent to you for informational purposes only.

PLEASE TAKE FURTHER NOTICE that if you would like to obtain a copy of the Disclosure Statement, the Plan, the Plan Supplement, or related documents, you should contact Omni Management Group, the Solicitation Agent retained by the Debtors in these chapter 11 cases, by: (a) calling the Debtors' restructuring hotline at (844) 212-9942 in the United States and Canada or, outside of the United States or Canada, by calling +1 (818) 906-8300; (b) visiting the Debtors' restructuring website at: www.omnimgt.com/hollander; and/or (c) writing to Hollander Sleep Products, LLC, Ballot Processing, c/o Omni Management Group, 5955 DeSoto Avenue, Suite #100, Woodland Hills, CA 91367. You may also obtain copies of any pleadings filed in these chapter 11 cases for a fee via PACER at: http://www.nysb.uscourts.gov.

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New York, New York
Dated: _____, 2019

Joshua A. Sussberg, P.C.
Christopher T. Greco, P.C.
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- and -

Joseph M. Graham (admitted *pro hac vice*)
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Chicago, Illinois 60654
Telephone: (312) 862-2000
Facsimile: (312) 862-2200

Proposed Counsel to the Debtors and Debtors in Possession

Exhibit A

Debtor Obligor	Counterparty Name	Description of Contract	Amount Required to Cure Default Thereunder, If Any

Exhibit 9

Notice of Rejection of Executory Contracts and Unexpired Leases

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
HOLLANDER SLEEP PRODUCTS, LLC, *et al.*,[1]	)	Case No. 19-11608 (MEW)
Debtors.	)	(Jointly Administered)

NOTICE REGARDING EXECUTORY CONTRACTS AND UNEXPIRED LEASES TO BE REJECTED PURSUANT TO THE PLAN

PLEASE TAKE NOTICE that on [●], 2019, the United States Bankruptcy Court for the Southern District of New York (the "Court") entered an order [Docket No. [●]] (the "Disclosure Statement Order"), (a) authorizing Hollander Sleep Products, LLC and its affiliated debtors and debtors in possession (collectively, the "Debtors"), to solicit acceptances for the *Debtors' Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 21] (as modified, amended, or supplemented from time to time, the "Plan"); (b) approving the *Disclosure Statement for the Debtors' Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. [●]] (as modified, amended, or supplemented from time to time, the "Disclosure Statement")[2] as containing "adequate information" pursuant to section 1125 of the Bankruptcy Code; (c) approving the solicitation materials and documents to be included in the solicitation packages; and (d) approving procedures for soliciting, receiving, and tabulating votes on the Plan and for filing objections to the Plan.

PLEASE TAKE FURTHER NOTICE that under the terms of Article V of the Plan, each Executory Contract and Unexpired Lease of a Debtor will be deemed automatically assumed pursuant to sections 365 and 1123 of the Bankruptcy Code on the Effective Date of the Plan, other than those that:

1. are identified on the Schedule of Rejected Executory Contracts and Unexpired Leases;

2. previously expired or terminated pursuant to its own terms;

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors' service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

[2] Capitalized terms not otherwise defined herein shall have the same meanings set forth in the Plan or Disclosure Statement, as applicable.

3. have been previously assumed or rejected by the Debtors pursuant to a Court order;

4. are the subject of a motion to reject Executory Contracts or Unexpired Leases that is pending on the Effective Date; or

5. are subject to a motion to reject an Executory Contract or Unexpired Lease pursuant to which the requested effective date of such rejection is after the Effective Date.

You are receiving this notice because you or one of your affiliates is a counterparty to an Executory Contract or an Unexpired Lease[3] with one or more of the Debtors as listed on **Exhibit A**, attached hereto.

The Debtors intend to reject the Executory Contracts or Unexpired Leases listed on Exhibit A to which you are a counterparty.

Objections. If you wish to object to the rejection of an Executory Contract or Unexpired Lease, an objection and notice setting the objection for hearing must be filed with the Court and served by **[●], 2019, at 4:00 p.m., prevailing Eastern Time**, the date that is 14 days from the date of this notice, and served so that it is actually received by each of the entities on the Master Service List (as defined in the case management order in these chapter 11 cases [Docket No. [●]] and available on the Debtors' case website at www.omnimgt.com/hollander).

Proofs of Claim. Additionally, entry of the Confirmation Order will constitute a Court order approving the rejection of your Executory Contracts or Unexpired Leases. As set forth in the Plan, such rejection will be effective on the Effective Date of the Plan. As a result of the Executory Contracts or Unexpired Leases to which you are a counterparty being rejected, you may be entitled to an unsecured claim for which a Proof of Claim must be filed. After entry of the Confirmation Order, you will receive a separate notice of the Effective Date, which notice will contain a proof of claim bar date for rejected contracts. Pursuant to the Plan, if the rejection of your Executory Contracts or Unexpired Leases gives rise to a Claim by you, unless otherwise provided by an order of the Court, any Proofs of Claim based on the rejection of the Debtors' Executory Contracts or Unexpired Leases must be filed with the Court within 30 days after the later of (1) the effective date of such rejection, or (2) the Effective Date.

Any Claims arising from the rejection of an Executory Contract or Unexpired Lease not Filed with the Court within such time will be automatically disallowed, forever barred from assertion, and shall not be enforceable against the Debtors, the Reorganized Debtors, the Estates, or their property of any of the foregoing parties without the need for any objection by the Reorganized Debtors or further notice to, or action, order, or approval of the Court or any other Entity, and any Claim arising out of the rejection of the Executory Contract or Unexpired Lease shall be deemed fully satisfied, released, and discharged, notwithstanding anything in the Schedules or a Proof of Claim to the contrary. Claims arising from the rejection of the Debtors' Executory Contracts or Unexpired Leases shall be classified as General Unsecured Claims or Hollander Canada General Unsecured Claims, as applicable, and

3 This notice is being sent to counterparties to Executory Contracts and Unexpired Leases. This notice is not an admission by the Debtors that such contract or lease is executory or unexpired.

shall be treated in accordance with Article III.B of the Plan and may be objected to in accordance with the provisions of Article VII of the Plan and the applicable provisions of the Bankruptcy Code and Bankruptcy Rules.

YOUR STATUS AS A COUNTERPARTY TO AN EXECUTORY CONTRACT AND/OR AN UNEXPIRED LEASE DOES NOT IN AND OF ITSELF ENTITLE YOU TO VOTE ON THE PLAN. Accordingly, this notice is being sent to you for informational purposes only.

PLEASE TAKE FURTHER NOTICE that if you would like to obtain a copy of the Disclosure Statement, the Plan, the Plan Supplement, or related documents, you should contact Omni Management Group, the Solicitation Agent retained by the Debtors in these chapter 11 cases, by: (a) calling the Debtors' restructuring hotline at (844) 212-9942 in the United States and Canada or, outside of the United States or Canada, by calling +1 (818) 906-8300; (b) visiting the Debtors' restructuring website at: www.omnimgt.com/hollander; and/or (c) writing to Hollander Sleep Products, LLC, Ballot Processing, c/o Omni Management Group, 5955 DeSoto Avenue, Suite #100, Woodland Hills, CA 91367. You may also obtain copies of any pleadings filed in these chapter 11 cases for a fee via PACER at: http://www.nysb.uscourts.gov.

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New York, New York
Dated: _____, 2019

Joshua A. Sussberg, P.C.
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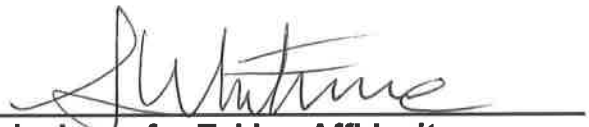
Proposed Counsel to the Debtors and Debtors in Possession

Exhibit A

Debtor Obligor	Counterparty Name	Description of Contract

THIS IS EXHIBIT "B" REFERRED TO IN THE AFFIDAVIT OF EVAN BARZ SWORN ON AUGUST 2, 2019.



Commissioner for Taking Affidavits

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
HOLLANDER SLEEP PRODUCTS, LLC., *et al.*,[1]	)	Case No. 19-11608 (MEW)
Debtors.	)	(Jointly Administered)
	)	**Re: Docket No. 107**

ORDER (I) APPROVING (A) THE ADEQUACY OF INFORMATION IN THE DISCLOSURE STATEMENT, (B) SOLICITATION AND NOTICE PROCEDURES, AND (C) CERTAIN DATES WITH RESPECT TO PLAN CONFIRMATION, AND (II) GRANTING RELATED RELIEF

Upon the motion (the "Motion")[2] of the Debtors for entry of an order (this "Order") pursuant to sections 105, 1125 and 1126 of the Bankruptcy Code, Bankruptcy Rules 2002, 3016, 3017, 3018, 3020, and Local Rules 3017-1, 3018-1, and 3020-1, (a) approving the adequacy of information in the Disclosure Statement, (b) approving Solicitation and Voting Procedures, (c) approving the confirmation schedule, and (d) granting related relief; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the Southern District of New York*, dated January 31, 2012; and this Court having the power to enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors' service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

[2] Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Motion.

the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted as set forth herein.

2. The Disclosure Statement is hereby approved as providing Holders of Claims entitled to vote on the Plan with adequate information to make an informed decision as to whether to vote to accept or reject the Plan in accordance with section 1125(a)(1) of the Bankruptcy Code.

3. The Disclosure Statement (including all applicable exhibits thereto) provides Holders of Claims, Holders of Interests, and other parties in interest with sufficient notice of the injunction, exculpation, and release provisions contained in Article VIII of the Plan, in satisfaction of the requirements of Bankruptcy Rule 3016(c).

4. The mechanism set forth in the Ballots, Non-Voting Status Notices, and Confirmation Hearing Notice for opting into the Third-Party Release contained in Article VIII of the Plan are hereby approved.

5. The Debtors provided adequate and sufficient notice of the hearing to consider approval of the Disclosure Statement, the manner in which a copy of the Disclosure Statement (and exhibits thereto, including the Plan) could be obtained, and the time fixed for filing objections thereto, in satisfaction of the requirements of the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules.

6. The following dates are hereby established (subject to modification as necessary) with respect to the solicitation of votes to accept or reject the Plan and confirmation of the Plan:

a. **Voting Record Date**: July 29, 2019, as the date for determining: (i) Holders of Claims that are entitled to vote on the Plan and (ii) whether Claims have been properly transferred, including pursuant to Bankruptcy Rule 3001(e), such that the assignee may vote on the Plan;

b. **Solicitation Deadline**: July 31, 2019, as the deadline for distributing Solicitation Packages, including Ballots, to Holders of Claims entitled to vote to accept or reject the Plan;

c. **Plan Objection Deadline**: August 28, 2019, at 4:00 p.m., prevailing Eastern Time, is the deadline by which objections to the Plan must be filed with the Court and served as to be actually received by the appropriate notice parties;

d. **Voting Deadline**: August 28, 2019, at 4:00 p.m., prevailing Eastern Time, as the deadline by which all Ballots must be properly executed, completed, and delivered so that they are actually received by the Debtors' Solicitation Agent, Omni Management Group;

e. **Confirmation Brief and Reply Deadline**: September 3, 2019 at 9:00 a.m., prevailing Eastern Time, as the deadline to file a brief in support of confirmation of the Plan and/or a reply to any objections to confirmation of the Plan;

f. **Deadline to File Voting Report**: September 3, 2019, at 9:00 a.m., prevailing Eastern Time, is established as the date by which the Voting Report must be filed, and the Court hereby waives the timing requirement set forth in Local Rule 3018-1(a); and

g. **Confirmation Hearing**: September 4, 2019, at 11:00 a.m., prevailing Eastern Time, is the date and time for the hearing for the Court to consider confirmation of the Plan.

7. The Debtors are authorized to solicit, receive, and tabulate votes to accept the Plan in accordance with the Solicitation and Voting Procedures attached hereto as **Exhibit 1**, which are hereby approved in their entirety.

8. In addition to the Disclosure Statement and exhibits thereto, including the Plan and this Order (without exhibits), the Solicitation Packages to be transmitted on or before the

Solicitation Deadline to those Holders of Claims in the Voting Classes entitled to vote on the Plan as of the Voting Record Date shall include the following, the form of each of which is hereby approved:

a. a copy of the Solicitation and Voting Procedures;

b. an appropriate form of Ballot attached hereto as **Exhibits 2A–2B**, respectively;[3]

c. the cover letter attached hereto as **Exhibit 6**;

d. the Confirmation Hearing Notice attached hereto as **Exhibit 7**; and

e. the official committee of unsecured creditors' support letter attached hereto as **Exhibit 10** (the "Committee Support Letter").

9. The Solicitation Packages provide the Holders of Claims entitled to vote on the Plan with adequate information to make informed decisions with respect to voting on the Plan in accordance with Bankruptcy Rules 2002(b) and 3017(d), the Bankruptcy Code, and the Local Rules.

10. The Debtors shall distribute Solicitation Packages to all Holders of Claims entitled to vote on the Plan on or before the Solicitation Deadline. Such service shall satisfy the requirements of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules.

11. The Debtors are authorized, but not directed or required, to distribute the Plan, the Disclosure Statement, and this Order to Holders of Claims entitled to vote on the Plan in electronic format. The Ballots, the Solicitation and Voting Procedures, the cover letter, the Committee Support Letter, and the Confirmation Hearing Notice will be provided in paper form. On or before the Solicitation Deadline, the Debtors (through their Solicitation Agent) shall provide complete

[3] The Debtors will make every reasonable effort to ensure that any Holder of a Claim who has filed duplicate Claims against the Debtors (whether against the same or multiple Debtors) that are classified under the Plan in the same Voting Class, receives no more than one Solicitation Package (and, therefore, one Ballot) on account of such Claim and with respect to that Class.

Solicitation Packages to the U.S. Trustee and to all parties on the 2002 List as of the Voting Record Date.

12. Any party that receives the materials in electronic format but would prefer to receive materials in paper format may contact the Solicitation Agent and request paper copies of the corresponding materials previously received in electronic format (to be provided at the Debtors' expense).

13. The Solicitation Agent is authorized to assist the Debtors in: (a) distributing the Solicitation Package; (b) receiving, tabulating, and reporting on Ballots cast to accept or reject the Plan by Holders of Claims against the Debtors; (c) responding to inquiries from Holders of Claims and Interests and other parties in interest relating to the Disclosure Statement, the Plan, the Ballots, the Solicitation Packages, and all other related documents and matters related thereto, including the procedures and requirements for voting to accept or reject the Plan and for objecting to the Plan; (d) soliciting votes on the Plan; and (e) if necessary, contacting creditors regarding the Plan.

14. The Solicitation Agent is also authorized to accept Ballots via electronic online transmission solely through a customized section on the Debtors' case administration website or by email.

15. The Confirmation Hearing Notice, in the form attached hereto as **Exhibit 7**, which shall be filed by the Debtors and served upon all known Holders of Claims and Interests and the 2002 List (regardless of whether such parties are entitled to vote on the Plan) on or before **July 31, 2019**, constitutes adequate and sufficient notice of the hearing to consider approval of the Plan, the manner in which a copy of the Plan could be obtained, and the time fixed for filing objections thereto, in satisfaction of the requirements of the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules. The Debtors shall publish the

Confirmation Hearing Notice (in a format modified for publication) one time on or before **July 31, 2019**, in the *The New York Times* (national edition), *USA TODAY* (national edition), and *The Globe and Mail* (national edition in Canada).

16. Except to the extent the Debtors determine otherwise, the Debtors are not required to provide Solicitation Packages to Holders of Claims or Interests in Non-Voting Classes, as such Holders are not entitled to vote on the Plan. Instead, on or before the Solicitation Deadline, the Solicitation Agent shall mail (first-class postage pre-paid) a Non-Voting Status Notice in lieu of Solicitation Packages, the form of each of which is hereby approved, to those parties, outlined below, who are not entitled to vote on the Plan:

a. ***Unimpaired Claims—Conclusively Presumed to Accept***. Holders of Claims in Classes 1, 2, and 3 are not impaired under the Plan and, therefore, are conclusively presumed to have accepted the Plan. As such, Holders of such Claims will receive a notice, substantially in the form attached hereto as **Exhibit 3**, in lieu of a Solicitation Package.

b. ***Other Interests and Claims—Deemed to Reject***. Holders of Interests in Classes 8 and 9 are receiving no distribution under the Plan and, therefore, are deemed to reject the Plan and will receive a notice, substantially in the form attached hereto as **Exhibit 4**, in lieu of a Solicitation Package.

c. ***Disputed Claims***. Holders of Claims that are subject to a pending objection by the Debtors are not entitled to vote the disputed portion of their Claim. As such, Holders of such Claims will receive a notice, substantially in the form attached hereto as **Exhibit 5**.

17. The Debtors are not required to mail Solicitation Packages or other solicitation materials to (a) Holders of Claims that have already been paid in full during these chapter 11 cases or that are authorized to be paid in full in the ordinary course of business pursuant to an order previously entered by this Court, (b) any party to whom notice of the Disclosure Statement Hearing was sent but was subsequently returned as undeliverable and after commercially reasonable efforts to locate such party prove unsuccessful, or (c) Holders in Class 6 (Intercompany Claims) and Class 7 (Intercompany Interests).

18. The notice of Assumed Executory Contracts and Unexpired Leases (including the schedules), substantially in the form attached hereto as **Exhibit 8**, is approved.

19. The notice of Rejected Executory Contracts and Unexpired Leases (including the schedules), substantially in the form attached hereto as **Exhibit 9**, is approved.

20. The Debtors will mail to non-debtor counterparties to the Debtors' Executory Contracts or Unexpired Leases at least 14 days before the first day of the Confirmation Hearing the Executory Contracts and Unexpired Leases notices, substantially in the forms attached hereto as **Exhibit 8** and **Exhibit 9**, notifying them of the forthcoming assumption or rejection of their Executory Contract or Unexpired Lease. Counterparties to Executory Contracts and Unexpired Leases shall have 28 days from the date the notice of assumed Executory Contracts and Unexpired Leases is sent to file and serve an objection to the Debtors' proposed cure Claim in accordance with the procedures set forth in such notice.

21. Nothing in this Order shall be construed as a waiver of the right of the Debtors or any other party in interest, as applicable, to object to a proof of claim after the Voting Record Date.

22. All time periods set forth in this order shall be calculated in accordance with Bankruptcy Rule 9006(a).

23. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

24. The Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

New York, New York
Dated: July 25, 2019

s/Michael E. Wiles
THE HONORABLE MICHAEL E. WILES
UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

Solicitation and Voting Procedures

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
HOLLANDER SLEEP PRODUCTS, LLC, *et al.*,[1]	)	Case No. 19-11608 (MEW)
Debtors.	)	(Jointly Administered)

SOLICITATION AND VOTING PROCEDURES

PLEASE TAKE NOTICE that on [●] 2019, the United States Bankruptcy Court for the Southern District of New York (the "Court") entered an order [Docket No. ●] (the "Disclosure Statement Order"), (a) authorizing Hollander Sleep Products, LLC and its affiliated debtors and debtors in possession (collectively, the "Debtors"), to solicit acceptances for the *Debtors' First Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. [●]] (as modified, amended, or supplemented from time to time, the "Plan");[2] (b) approving the *Disclosure Statement for the Debtors' First Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. [●]] (as modified, amended, or supplemented from time to time, the "Disclosure Statement") as containing "adequate information" pursuant to section 1125 of the Bankruptcy Code; (c) approving the solicitation materials and documents to be included in the solicitation packages (the "Solicitation Packages"); and (d) approving procedures for soliciting, receiving, and tabulating votes on the Plan and for filing objections to the Plan.

A. The Voting Record Date.

The Court has approved **July 29, 2019**, as the record date for purposes of determining which Holders of Claims in Class 4 (Term Loan Claims) and Class 5 (General Unsecured Claims), are entitled to vote on the Plan (the "Voting Record Date").

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors' service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

[2] Capitalized terms not otherwise defined herein shall have the same meanings set forth in the Plan or in the *Debtors' Motion for Entry of an Order (I) Approving (A) the Adequacy of Information in the Disclosure Statement, (B) Solicitation and Notice Procedures, and (C) Certain Dates With Respect To Plan Confirmation, and (II) Granting Related Relief* [Docket No. 107], as applicable.

B. The Voting Deadline.

The Court has approved **August 28, 2019, at 4:00 p.m., prevailing Eastern Time**, as the voting deadline (the "Voting Deadline") for the Plan. The Debtors may extend the Voting Deadline, in their discretion, without further order of the Court. To be counted as votes to accept or reject the Plan, all votes must be incorporated on a ballot (a "Ballot") that is properly executed, completed, and returned in the pre-paid, pre-addressed return envelope included in the Solicitation Package or delivered by (1) first class mail, (2) overnight courier, (3) personal delivery, (4) the customized section on the Debtors' case administration website (in accordance with the instructions accompanying the Ballot), or (5) email, so that they are **actually received**, in any case, no later than the Voting Deadline by Omni Management Group (the "Solicitation Agent"). All Ballots returned by mail or personal delivery should be sent to: Hollander Sleep Products, LLC, Ballot Processing, c/o Omni Management Group, 5955 DeSoto Avenue, Suite #100, Woodland Hills, CA 91367. All Ballots returned by email should be sent to: hollanderballots@omnimgt.com. Delivery of a Ballot to the Solicitation Agent by facsimile or any other electronic means other than by using the customized section on the Debtors' case administration website or by email will not be valid.

C. Form, Content, and Manner of Notices.

1. **The Solicitation Package.**

The following materials shall constitute the solicitation package (the "Solicitation Package"):

a. a copy of these Solicitation and Voting Procedures;

b. the *Notice of Hearing to Consider Confirmation of the Chapter 11 Plan Filed by the Debtors and Related Voting and Objection Deadlines*, in substantially the form attached as **Exhibit 7** to the Disclosure Statement Order (the "Confirmation Hearing Notice");

c. a cover letter, in substantially the form attached as **Exhibit 6** to the Disclosure Statement Order, describing the contents of the Solicitation Package and urging the Holders of Claims in each of the Voting Classes to vote to accept the Plan;

d. the applicable form of Ballot, in substantially the form of Ballots attached as **Exhibits 2A–2B** to the Disclosure Statement Order, as applicable, including a pre-paid, pre-addressed return envelope;

e. the approved Disclosure Statement (and exhibits thereto, including the Plan);

f. the Disclosure Statement Order (without exhibits);

g. the official committee of unsecured creditors' support letter, in substantially the form attached as **Exhibit 10** to the Disclosure Statement Order (the "Committee Support Letter"); and

h. any additional documents that the Court has ordered to be made available.

2. **Distribution of the Solicitation Package.**

The Solicitation Package shall provide the Plan, the Disclosure Statement, and the Disclosure Statement Order (without exhibits in electronic format (flash drive or CD-ROM), and all other contents of the Solicitation Package, including Ballots and these Solicitation and Voting Procedures, shall be provided in paper format. Any party that receives the materials in electronic format but would prefer paper format (to be provided at the Debtors' expense) may contact the Solicitation Agent by: (a) calling the Debtors' restructuring hotline at (844) 212-9942 within the United States or Canada or, outside of the United States or Canada, by calling +1 (818) 906-8300; (b) visiting the Debtors' restructuring website at: www.omnimgt.com/hollander; (c) writing to Hollander Sleep Products, LLC, Ballot Processing, c/o Omni Management Group, 5955 DeSoto Avenue, Suite #100, Woodland Hills, CA 91367; and/or (d) emailing hollanderballots@omnimgt.com and requesting paper copies of the corresponding materials previously received in electronic format.

The Debtors shall serve, or cause to be served, all of the materials in the Solicitation Package (excluding the Ballots) on the U.S. Trustee and all parties who have requested service of papers in this case pursuant to Bankruptcy Rule 2002 as of the Voting Record Date. In addition, the Debtors shall mail, or cause to be mailed, the Solicitation Package to all Holders of Claims in the Voting Classes who are permitted to vote on or before July 31, 2019.

To avoid duplication and reduce expenses, the Debtors will make every reasonable effort to ensure that any Holder of a Claim who has filed duplicative Claims against a Debtor (whether against the same or multiple Debtors) that are classified under the Plan in the same Voting Class receives no more than one Solicitation Package (and, therefore, one Ballot) on account of such Claim and with respect to that Class as against that Debtor.

3. **Resolution of Disputed Claims for Voting Purposes; Resolution Event.**

a. Absent a further order of the Court, the Holder of a Claim in a Voting Class that is the subject of a pending objection on a "reduce and allow" basis filed prior to the Voting Deadline shall be entitled to vote such Claim in the reduced amount contained in such objection.

b. If a Claim in a Voting Class is subject to an objection other than a "reduce and allow" objection that is filed with the Court on or prior to 14 days before the Voting Deadline: (i) the Debtors shall cause the applicable Holder to be served with a Disputed Claim Notice substantially in the form attached as **Exhibit 5** to the Disclosure Statement Order, and (ii) the applicable Holder shall not be entitled to vote to accept or reject the Plan on account of such claim unless a Resolution Event (as defined herein) occurs as provided herein.

c. If a Claim in a Voting Class is subject to an objection other than a "reduce and allow" objection that is filed with the Court less than 14 days prior to the Voting Deadline, the applicable Claim shall be deemed temporarily allowed for voting purposes only, without further action by the Holder of such Claim and without further order of the Court, unless the Court orders otherwise.

d. A "Resolution Event" means the occurrence of one or more of the following events no later than two (2) business days prior to the Voting Deadline:

i. an order of the Court is entered allowing such Claim pursuant to section 502(b) of the Bankruptcy Code, after notice and a hearing;

ii. an order of the Court is entered temporarily allowing such Claim for voting purposes only pursuant to Bankruptcy Rule 3018(a), after notice and a hearing;

iii. a stipulation or other agreement is executed between the Holder of such Claim and the Debtors resolving the objection and allowing such Claim in an agreed upon amount; or

iv. the pending objection is voluntarily withdrawn by the objecting party.

e. No later than one (1) business day following the occurrence of a Resolution Event, the Debtors shall cause the Solicitation Agent to distribute via email, hand delivery, or overnight courier service a Solicitation Package and a pre-addressed, postage pre-paid envelope to the relevant Holder.

4. **Non-Voting Status Notices for Unimpaired Classes and Classes Deemed to Reject the Plan.**

Certain Holders of Claims and Interests that are not classified in accordance with section 1123(a)(1) of the Bankruptcy Code or who are not entitled to vote because they are Unimpaired or otherwise presumed to accept the Plan under section 1126(f) of the Bankruptcy Code will receive only the *Notice of Non-Voting Status to Holders of Unimpaired Claims Conclusively Presumed to Accept the Plan*, substantially in the form attached as **Exhibit 3** to the Disclosure Statement Order. Such notice will instruct these Holders as to how they may obtain copies of the documents contained in the Solicitation Package (excluding Ballots). Certain Holders of Claims and Interests who are not entitled to vote because they are deemed to reject the Plan under section 1126(g) of the Bankruptcy Code will receive the *Notice of Non-Voting Status to Holders of Impaired Claims and Equity Interests Deemed to Reject the Plan*, substantially in the form attached as **Exhibit 4** to the Disclosure Statement Order. Such notice will instruct these Holders as to how they may obtain copies of the documents contained in the Solicitation Package (excluding Ballots).

D. Voting and Tabulation Procedures.

1. Holders of Claims Entitled to Vote.

Only the following Holders of Claims in the Voting Classes shall be entitled to vote with regard to such Claims:

a. Holders of Claims who, on or before the Voting Record Date, have timely filed a Proof of Claim (or an untimely Proof of Claim that has been Allowed as timely by the Court under applicable law on or before the Voting Record Date) that (i) has not been expunged, disallowed, disqualified, withdrawn, or superseded prior to the Voting Record Date, and (ii) is not the subject of a pending objection, other than a "reduce and allow" objection, filed with the Court at least 14 days prior to the Voting Deadline, pending a Resolution Event as provided herein; *provided* that a Holder of a Claim that is the subject of a pending objection on a "reduce and allow" basis shall receive a Solicitation Package and be entitled to vote such Claim in the reduced amount contained in such objection absent a further order of the Court; *provided*, *further*, that Holders of Claims in the Voting Classes are entitled to vote such Claims without filing Proofs of Claim if such Holders are authorized by any order of this Court not to submit Proofs of Claim (including, pursuant to the DIP Orders and the Bar Date Order, the Holders of the DIP Claims, and the Class 4 Claims);

b. Holders of Claims that are listed in the Schedules unless such Claim is scheduled as contingent, unliquidated, or disputed and not otherwise paid or superseded by a timely filed Proof of Claim, *provided* that a Claim scheduled as contingent, unliquidated, or disputed that has not been superseded by a timely filed Proof of Claim will be allowed to vote only in the amounts set forth in section 2(d) of these Solicitation and Voting Procedures;

c. Holders whose Claims arise (i) pursuant to an agreement or settlement with the Debtors, as reflected in a document filed with the Court (or otherwise), (ii) in an order entered by the Court, or (iii) in a document executed by the Debtors pursuant to authority granted by the Court, in each case regardless of whether a Proof of Claim has been filed;

d. Holders of any Disputed Claim that has been temporarily allowed to vote on the Plan pursuant to Bankruptcy Rule 3018; and

e. with respect to any Entity described in subparagraphs (a) through (d) above, who, on or before the Voting Record Date, has transferred such Entity's Claim to another Entity, to the assignee of such Claim; *provided* that such transfer or assignment has been fully effectuated pursuant to the procedures set forth in Bankruptcy Rule 3001(e) and such transfer is reflected on the Claims Register on the Voting Record Date.

2. Establishing Claim Amounts for Voting Purposes.

Class 4 Term Loan Claims. The voting amounts for Class 4 Claims will be established based on the amount of the applicable positions held by such Class 4 Claim Holder, as of the Voting Record Date, as evidenced by the list of record holders maintained by the Term Loan Agent and dated as of the Voting Record Date.

Class 5 General Unsecured Claims. In tabulating votes, the following hierarchy shall be used to determine the amount of the Class 5 Claims associated with each claimant's vote:

a. the Claim amount (i) settled and/or agreed upon by the Debtors, as reflected in a document filed with the Court (or otherwise), (ii) set forth in an order of the Court, or (iii) set forth in a document executed by the Debtors pursuant to authority granted by the Court;

b. the Claim amount Allowed (temporarily or otherwise) pursuant to a Resolution Event under Section C.3(d) of these Solicitation and Voting Procedures;

c. the Claim amount contained in a Proof of Claim that has been timely filed by the applicable Bar Date (or deemed timely filed by the Court under applicable law), except for any amounts asserted on account of any interest accrued after the Petition Date; *provided*, *however*, that (i) any Ballot cast by a Holder of a Claim who timely files a Proof of Claim in respect of a contingent Claim or a Claim in a wholly-unliquidated or unknown amount (based on a reasonable review by the Debtors and/or the Solicitation Agent) that is not the subject of an objection will count toward satisfying the numerosity requirement of section 1126(c) of the Bankruptcy Code and will count as a Ballot for a Claim in the amount of $1.00 solely for the purposes of satisfying the dollar amount provisions of section 1126(c) of the Bankruptcy Code, and (ii) if a Proof of Claim is filed as partially liquidated and partially unliquidated, such Claim will be Allowed for voting purposes only in the liquidated amount; *provided*, *further*, *however*, that to the extent the Claim amount contained in the Proof of Claim is different from the Claim amount set forth in a document filed with the Court as referenced in subparagraph (a) above, the Claim amount in the document filed with the Court shall supersede the Claim amount set forth on the respective Proof of Claim for voting purposes;

d. the Claim amount listed in the Schedules (to the extent such Claim is not superseded by a timely filed Proof of Claim) that is not scheduled as contingent, disputed, or unliquidated and/or has not been paid; *provided*, *however*, that if the applicable Bar Date has not expired prior to the Voting Record Date, a Claim listed in the Schedules as contingent, disputed, or unliquidated will count as a vote towards satisfying the numerosity requirement of section 1126(c) of the Bankruptcy Code and as a vote in the amount of $1.00 solely for the purposes of satisfying the dollar amount provisions of section 1126(c) of the Bankruptcy Code; *provided*, *further*,

that if the applicable Bar Date has expired, a Claim listed in the Schedules as contingent, disputed, or unliquidated shall not be entitled to vote; and

e. Claims that have been paid or otherwise satisfied are disallowed for voting purposes.

Notwithstanding anything to the contrary contained herein: (x) any creditor who has filed or purchased duplicate Claims against the same Debtor within the same Class may be provided with only one Solicitation Package and one ballot for voting a single Claim in such Class, regardless of whether the Debtors have objected to such duplicate Claims; (y) Holders of Claims filed for $0.00 are not entitled to vote; and (z) if a Proof of Claim has been amended by a later timely filed Proof of Claim, only the later filed amending Claim will be counted for voting purposes, regardless of whether the Debtors have objected to such earlier filed Claim

3. Voting and Ballot Tabulation Procedures.

The following voting procedures and standard assumptions shall be used in tabulating Ballots, subject to the Debtors' right to waive any of the below specified requirements for completion and submission of Ballots so long as such requirement is not otherwise required by the Bankruptcy Code, Bankruptcy Rules, or Local Rules:

a. except as otherwise provided in the Solicitation and Voting Procedures, unless the Ballot being furnished is timely submitted on or prior to the Voting Deadline (as the same may be extended by the Debtors as set forth herein), the Debtors shall reject such Ballot as invalid and, therefore, shall not count it in connection with Confirmation of the Plan;

b. the Solicitation Agent will date-stamp all Ballots when received. The Solicitation Agent shall retain the original Ballots and an electronic copy of the same for a period of one year after the Effective Date of the Plan, unless otherwise ordered by the Court. The Solicitation Agent shall tabulate Ballots on a Debtor-by-Debtor basis;

c. the Debtors will file with the Court a certification of votes (the "Voting Report") on September 3, 2019, at 9:00 a.m., prevailing Eastern Time. The Voting Report shall, among other things, certify to the Court in writing the amount and number of Allowed Claims or Allowed Interests of each Class accepting or rejecting the Plan, and delineate every Ballot that does not conform to the voting instructions or that contains any form of irregularity including, but not limited to, those Ballots that are late or (in whole or in material part) illegible, unidentifiable, lacking signatures or lacking necessary information, received via facsimile or any other electronic means other than by using the customized section on the Debtors' case administration website or by email, or damaged ("Irregular Ballots"). The Voting Report shall indicate the Debtors' intentions with regard to each such Irregular Ballot. The Voting Report shall be served upon the Committee and the U.S. Trustee;

d. the method of delivery of Ballots to be sent to the Solicitation Agent is at the election and risk of each Holder, and except as otherwise provided, a Ballot will be deemed delivered only when the Solicitation Agent actually receives the executed Ballot;

e. an executed Ballot is required to be submitted by the Entity submitting such Ballot. Delivery of a Ballot to the Solicitation Agent by facsimile, or any electronic means other than expressly provided in the Solicitation and Voting Procedures will not be valid;

f. no Ballot should be sent to the Debtors, the Debtors' agents (other than the Solicitation Agent), or the Debtors' financial or legal advisors, and if so sent will not be counted;

g. if multiple Ballots are received from the same Holder with respect to the same Claim prior to the Voting Deadline, the last properly executed Ballot timely received will be deemed to reflect that voter's intent and will supersede and revoke any prior Ballot;

h. Holders must vote all of their Claims within a particular Class either to accept or reject the Plan and may not split any votes. Accordingly, a Ballot that partially rejects and partially accepts the Plan will not be counted. Further, to the extent there are multiple Claims within the same Class, the Debtor may, in its discretion, aggregate the Claims of any particular Holder within a Class for the purpose of counting votes;

i. a person signing a Ballot in its capacity as a trustee, executor, administrator, guardian, attorney in fact, officer of a corporation, or otherwise acting in a fiduciary or representative capacity of a Holder of Claims must indicate such capacity when signing;

j. the Debtors, subject to a contrary order of the Court, may waive any defects or irregularities as to any particular Irregular Ballot at any time, either before or after the close of voting, and any such waivers will be documented in the Voting Report;

k. the Debtors shall notify any Holder submitting a Ballot not in proper form of any such defects and their intent to reject such Ballot if the alleged defects are not remedied within 7 days after receipt of notice of such alleged defect; *provided*, *further*, that any Holder to which the Debtors provide notice of their intent to reject such Ballot may submit an objection within 7 days of receipt of such notice. Any dispute regarding the form of any Ballot shall be determined by the Bankruptcy Court;

l. unless waived or as ordered by the Court, any defects or irregularities in connection with deliveries of Ballots must be cured prior to the Voting Deadline or such Ballots will not be counted;

m. in the event a designation of lack of good faith is requested by a party in interest under section 1126(e) of the Bankruptcy Code, the Court will determine whether any vote to accept and/or reject the Plan cast with respect to that Claim will be counted for purposes of determining whether the Plan has been accepted and/or rejected;

n. subject to any order of the Court, the Debtors reserve the right to reject any and all Ballots not in proper form, the acceptance of which, in the opinion of the Debtors, would not be in accordance with the provisions of the Bankruptcy Code or the Bankruptcy Rules; *provided* that any such rejections will be documented in the Voting Report;

o. if a Claim has been estimated or otherwise Allowed for voting purposes only by order of the Court, such Claim shall be temporarily Allowed in the amount so estimated or Allowed by the Court for voting purposes only, and not for purposes of allowance or distribution;

p. if an objection to a Claim is filed, such Claim shall be treated in accordance with the procedures set forth herein;

a. the following Ballots shall not be counted in determining the acceptance or rejection of the Plan: (i) any Ballot that is illegible or contains insufficient information to permit the identification of the Holder of such Claim; (ii) any Ballot cast by any Entity that does not hold a Claim in a Voting Class; (iii) any Ballot cast for a Claim scheduled as unliquidated, contingent, or disputed for which no Proof of Claim was timely filed; (iv) any unsigned Ballot or Ballot lacking an original signature; (v) any Ballot not marked to accept or reject the Plan or marked both to accept and reject the Plan; and (vi) any Ballot submitted by any Entity not entitled to vote pursuant to the procedures described herein;

q. after the Voting Deadline, no Ballot may be withdrawn or modified without the prior written consent of the Debtors;

r. the Debtors are authorized to enter into stipulations with the Holder of any Claim agreeing to the amount of a Claim for voting purposes; and

s. where any portion of a single Claim has been transferred to a transferee, all Holders of any portion of such single Claim will be: (i) treated as a single creditor for purposes of the numerosity requirements in section 1126(c) of the Bankruptcy Code (and for the other voting and solicitation procedures set forth herein), and (ii) required to vote every portion of such Claim collectively to accept or reject the Plan. In the event that: (x) a Ballot, (y) a group of Ballots within a Voting Class received from a single creditor, or (z) a group of Ballots received from the various Holders of multiple portions of a single Claim partially reject and partially accept the Plan, such Ballots shall not be counted.

E. Amendments to the Plan and Solicitation and Voting Procedures.

The Debtors reserve the right to make non-substantive or immaterial changes to the Disclosure Statement, the Plan, these Solicitation and Voting Procedures, the Confirmation Hearing Notice, the Non-Voting Status Notices, the Ballots, the cover letter, the Committee Support Letter, the Assumption and Rejection Notices, and related documents without further order of the Court, including changes to correct typographical and grammatical errors, if any, and to make conforming changes to the Disclosure Statement, the Plan, and any other materials in the Solicitation Packages before distribution.

* * * * *

Exhibit 2A

Form Class 4 Ballot

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
HOLLANDER SLEEP PRODUCTS, LLC, *et al.*,[1]	)	Case No. 19-11608 (MEW)
Debtors.	)	(Jointly Administered)

BALLOT FOR VOTING TO ACCEPT OR REJECT THE DEBTORS' JOINT PLAN OF REORGANIZATION PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE

CLASS 4 CLAIMS

Please read and follow the enclosed instructions for completing Ballots carefully before completing this Ballot.

In order for your vote to be counted, this Ballot must be completed, executed, and returned so as to be actually received by the Solicitation Agent by August 28, 2019, at 4:00 p.m., prevailing Eastern Time (the "Voting Deadline"), in accordance with the following:

The above-captioned debtors and debtors in possession (collectively, the "Debtors") are soliciting votes with respect to the *Debtors' First Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. [●]] (as amended, supplemented, or modified from time to time, the "Plan") as set forth in the *Disclosure Statement for the Debtors' First Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. [●]] (as amended, supplemented, or modified from time to time, the "Disclosure Statement"). The United States Bankruptcy Court for the Southern District of New York (the "Court") has approved the Disclosure Statement as containing adequate information pursuant to section 1125 of the Bankruptcy Code by entry of an order on [●], 2019 [Docket No. ●] (the "Disclosure Statement Order"). Court approval of the Disclosure Statement does not indicate approval of the Plan by the Court. Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Plan.

You are receiving this ballot (the "Ballot") because you are a Holder of a Class 4 Claim as of **July 29, 2019** (the "Voting Record Date"). Accordingly, you have a right to vote to accept or reject the Plan. You can cast your vote through this Ballot.

Your rights are described in the Disclosure Statement, which is included in the package (the "Solicitation Package") you are receiving with this Ballot (as well as the Plan, Disclosure Statement Order, and certain other materials). If you received Solicitation Package materials in electronic format and desire paper copies, or if you need to obtain additional Solicitation Packages, you may obtain them (a) from Omni Management Group (the "Solicitation Agent") at no charge by: (i) calling the Debtors' restructuring hotline at (844) 212-9942 within the United States or Canada or, outside of the United States or Canada, by calling +1 (818) 906-8300; (ii) visiting the Debtors' restructuring website at www.omnimgt.com/hollander; (iii) writing to Hollander Sleep Products, LLC, Ballot Processing, c/o Omni

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors' service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

Management Group, 5955 DeSoto Avenue, Suite #100, Woodland Hills, CA 91367; or (iv) emailing hollanderballots@omnimgt.com and requesting paper copies of the corresponding materials previously received in electronic format (to be provided at the Debtors' expense); and/or (b) for a fee via PACER at http://www.nysb.uscourts.gov.

This Ballot may not be used for any purpose other than for casting votes to accept or reject the Plan, agreeing to or opting into certain releases described below, and making certain certifications with respect to the Plan. If you believe you have received this Ballot in error, or if you believe that you have received the wrong ballot, please contact the Solicitation Agent immediately at the address, telephone number, or email address set forth above.

You should review the Disclosure Statement and the Plan before you vote. You may wish to seek legal advice concerning the Plan and the Plan's classification and treatment of your Claim. Your Claim has been placed in Class 4 under the Plan. If you hold Claims in more than one Class, you will receive a ballot for each Class in which you are entitled to vote.

The Court may confirm the Plan and thereby bind all Holders of Claims and Interests. **To have your vote count as either an acceptance or rejection of the Plan, you must complete and return this Ballot so that the Solicitation Agent actually receives it on or before the Voting Deadline.**

The Voting Deadline is on August 28, 2019, at 4:00 p.m., prevailing Eastern Time.

Item 1. Amount of Claim.

The undersigned hereby certifies that as of the Voting Record Date, the undersigned was the holder of Class 4 Claims in the following aggregate amount (insert amount in box below):

Amount of Claim: $_____

Item 2. Vote on Plan.

The Holder of the Class 4 Claim against the Debtors set forth in Item 1 votes to (please check one):

☐ **ACCEPT** (vote FOR) the Plan	☐ **REJECT** (vote AGAINST) the Plan

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Item 3. Important information regarding the Debtor Release, Third-Party Release, Exculpation, and Injunction.

ARTICLE VIII OF THE PLAN CONTAINS RELEASE, EXCULPATION, AND INJUNCTION PROVISIONS. EXCERPTS OF SUCH PROVISIONS ARE SET FORTH BELOW BUT PARTIES SHOULD RELY ONLY ON THE TERMS OF THE PLAN. PARTIES RECEIVING THIS BALLOT MAY OPT INTO THE THIRD-PARTY RELEASE PROVISIONS BY CHECKING THE BOX BELOW SPECIFICALLY PROVIDING FOR THE ACCEPTANCE OF THE THIRD-PARTY RELEASE PROVISIONS.

IF YOU VOTE TO ACCEPT THE PLAN, YOU SHALL BE DEEMED TO HAVE CONSENTED TO THE PLAN'S THIRD-PARTY RELEASE CONTAINED IN ARTICLE VIII OF THE PLAN, AS DESCRIBED IN THIS ITEM 3.

IF YOU VOTE TO REJECT THE PLAN OR WISH TO ABSTAIN FROM VOTING AND YOU WISH TO RELEASE CLAIMS YOU MAY HAVE AGAINST THE RELEASED PARTIES, YOU MAY CHECK THE BOX BELOW TO OPT INTO THE RELEASES; HOWEVER, YOU ARE NOT REQUIRED TO DO SO.

REGARDLESS OF WHETHER YOU ELECT TO OPT INTO THE PLAN'S THIRD-PARTY RELEASE PROVISIONS, YOUR RECOVERY UNDER THE PLAN REMAINS UNAFFECTED.

The undersigned Holder of the Class 4 Claim against the Debtors set forth in Item 1 elects to:

☐ **Opt Into the Third-Party Release in Article VIII of the Plan**

PARTIES THAT SIGN THE AMENDED & RESTATED RESTRUCTURING SUPPORT AGREEMENT SHALL BE DEEMED TO HAVE GRANTED THE THIRD-PARTY RELEASE REGARDLESS OF WHETHER THEY ELECT TO OPT INTO THE THIRD-PARTY RELEASE ON THEIR BALLOT.

Article VIII.D of the Plan contains the following Third-Party Release:

Effective as of the Effective Date, in exchange for good and valuable consideration, including the obligations of the Debtors under the Plan and the contributions of the Released Parties in facilitating the expeditious reorganization of the Debtors and the implementation of the restructuring contemplated by the Plan, to the fullest extent permissible under applicable law, as such law may be extended or integrated after the Effective Date, on and after the Effective Date each of the Releasing Parties shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever, released and discharged each Debtor, Reorganized Debtor, and Released Party from any and all Claims, interests, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, including any derivative claims, asserted or assertable on behalf of any of the Debtors, the Reorganized Debtors, or their Estates, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions, the Restructuring Transactions, the Sale Transaction (if applicable), entry into the Exit Facilities, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, filing, or consummation of the RSA, the Disclosure Statement, the DIP Facilities, the Sale Transaction (if applicable), the Exit Facilities, the Plan, the Plan Supplement, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the RSA, the Disclosure Statement, the DIP Facilities, or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, other than claims or liabilities arising out of or relating

to any act or omission of a Released Party that constitutes actual fraud, willful misconduct, or gross negligence, each solely to the extent as determined by a Final Order of a court of competent jurisdiction. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release any post-Effective Date obligations of any party or Entity under the Plan, any Restructuring Transaction, or any document, instrument, or agreement (including the Exit Facility Documents and any documents set forth in the Plan Supplement) executed to implement the Plan.

* * * * *

UNDER THE PLAN, "RELEASED PARTY" MEANS, COLLECTIVELY, AND IN EACH CASE IN ITS CAPACITY AS SUCH: (A) THE DEBTORS; (B) THE REORGANIZED DEBTORS; (C) THE PREPETITION SECURED LENDERS; (D) THE PREPETITION AGENTS; (E) THE DIP LENDERS; (F) THE PUT PURCHASERS; (G) THE DIP AGENTS; (H) THE EXIT FACILITY LENDERS; (I) THE EXIT FACILITY AGENTS; (J) THE WINNING BIDDER; (K) THE SPONSOR; (L) THE PARTIES TO THE RSA; (M) THE COMMITTEE; AND (N) WITH RESPECT TO EACH OF THE FOREGOING IN CLAUSES (A) THROUGH (M), SUCH ENTITY AND ITS CURRENT AND FORMER AFFILIATES, AND SUCH ENTITIES' AND THEIR CURRENT AFFILIATES' DIRECTORS, MANAGERS, OFFICERS, EQUITY HOLDERS (REGARDLESS OF WHETHER SUCH INTERESTS ARE HELD DIRECTLY OR INDIRECTLY), PREDECESSORS, PARTICIPANTS, SUCCESSORS, AND ASSIGNS, SUBSIDIARIES, AFFILIATES, MANAGED ACCOUNTS OR FUNDS, AND EACH OF THEIR RESPECTIVE CURRENT AND FORMER EQUITY HOLDERS, OFFICERS, DIRECTORS, MANAGERS, PRINCIPALS, SHAREHOLDERS, MEMBERS (OTHER THAN MEMBERS OF THE COMMITTEE), MANAGEMENT COMPANIES, FUND ADVISORS, EMPLOYEES, AGENTS, ADVISORY BOARD MEMBERS, FINANCIAL ADVISORS, PARTNERS, ATTORNEYS, ACCOUNTANTS, INVESTMENT BANKERS, CONSULTANTS, REPRESENTATIVES, AND OTHER PROFESSIONALS; *PROVIDED* THAT ANY OF THE FOREGOING THAT DOES NOT CONSENT TO THE RELEASES SHALL NOT BE A "RELEASED PARTY."

IF YOU VOTE TO ACCEPT THE PLAN YOU WILL BE DEEMED A RELEASING PARTY PROVIDING THE THIRD-PARTY RELEASE CONTAINED IN ARTICLE VIII.D OF THE PLAN.

* * * * *

Item 4. Certifications.

By signing this Ballot, the undersigned certifies to the Court and the Debtors that:

(a) as of the Voting Record Date, the entity is either: (i) the Holder of the Claims being voted on this Ballot; or (ii) an authorized signatory for an entity that is the Holder of the Claims being voted on this Ballot;
(b) the entity (or in the case of an authorized signatory, the Holder) has received a copy of the Disclosure Statement and the Solicitation Package and acknowledges that the solicitation is being made pursuant to the terms and conditions set forth therein;
(c) the entity has reviewed the Plan and the Disclosure Statement with respect to the Third-Party Release and has made an informed decision whether or not to consent to the Third-Party Release;
(d) the entity has cast the same vote with respect to all its Claims in a single Class; and
(e) no other Ballots with respect to the Claims identified in Item 1 have been cast or, if any other Ballots have been cast with respect to such Claims, then any such earlier received Ballots are hereby revoked.

Name of Holder:	(Print or Type)
Signature:	
Name of Signatory:	(If other than Holder)
Title:	
Address:	
Telephone Number:	
Email:	
Date Completed:	

Please complete, sign, and date this Ballot and return it (with an original signature) promptly in the envelope provided via first-class mail, overnight courier, or hand-delivery to:

Hollander Sleep Products, LLC, Ballot Processing
c/o Omni Management Group
5955 DeSoto Avenue, Suite #100
Woodland Hills, CA 91367

OR

Complete, sign, and date this Ballot and submit it *promptly* (with an original signature) via the "Submit E-Ballot" section of the Debtors' case administration website at www.omnimgt.com/hollander, pursuant to the instructions set forth therein, or via email to the Solicitation Agent at hollanderballots@omnimgt.com.

The "Submit E-Ballot" section of the Debtors' case administration website and the Solicitation Agent's email address are the sole manners in which Ballots will be accepted via electronic or online transmission. Ballots submitted by facsimile or other means of electronic transmission will not be counted.

Creditors who submit a Ballot using the "Submit E-Ballot" section of the Debtors' case administration website or by emailing the Solicitation Agent should NOT also submit a Ballot via first-class mail, overnight courier, or hand-delivery.

If the Solicitation Agent does not actually receive this Ballot on or before August 28, 2019, at 4:00 p.m., prevailing Eastern Time (and if the Voting Deadline is not extended), your vote transmitted by this Ballot may be counted toward Confirmation of the Plan only in the sole and absolute discretion of the Debtors.

INSTRUCTIONS FOR COMPLETING THIS BALLOT

1. The Debtors are soliciting the votes of Holders of Claims with respect to the Plan attached as **Exhibit A** to the Disclosure Statement. Capitalized terms used in the Ballot or in these instructions (the "Ballot Instructions") but not otherwise defined therein or herein shall have the meanings set forth in the Plan, a copy of which also accompanies the Ballot. **Please read the Plan and Disclosure Statement carefully before completing this Ballot.**

2. The Plan can be confirmed by the Court and thereby made binding upon you if it is accepted by the Holders of at least two-thirds in amount and more than one-half in number of Claims in at least one Class of creditors that votes on the Plan and if the Plan otherwise satisfies the requirements for confirmation provided by section 1129(a) of the Bankruptcy Code. Please review the Disclosure Statement for more information.

3. To ensure that your Ballot is counted, you **must** complete and submit this hard copy Ballot.

4. **Use of Ballot**. To ensure that your hard copy Ballot is counted, you must: (a) complete your Ballot in accordance with these instructions; (b) clearly indicate your decision either to accept or reject the Plan in the boxes provided in Item 2 of the Ballot; and (c) clearly sign and return your original Ballot (i) in the enclosed pre-addressed envelope or via first-class mail, overnight courier, or hand-delivery to Hollander Sleep Products, LLC, Ballot Processing, c/o Omni Management Group, 5955 DeSoto Avenue, Suite #100, Woodland Hills, CA 91367, in accordance with paragraph 6 below or (ii) by following the instructions on the Debtors' case administration website at www.omnimgt.com/hollander (click "Submit E-Ballot" link) or by emailing the Solicitation Agent at hollanderballots@omnimgt.com. The Debtors' case administration website and the Solicitation Agent's email address are the sole manner in which Ballots in this class will be accepted via electronic or online transmission. **Ballots will not be accepted by facsimile or electronic means (other than the Debtors' case administration website and the Solicitation Agent's email address)**

5. Your Ballot **must** be returned to the Solicitation Agent so as to be **actually received** by the Solicitation Agent on or before the Voting Deadline. **The Voting Deadline is August 28, 2019, at 4:00 p.m., prevailing Eastern Time**.

6. If a Ballot is received after the Voting Deadline (and if the Voting Deadline is not extended), it may be counted only in the sole and absolute discretion of the Debtors. Additionally, **the following Ballots will not be counted**:

   (a) any Ballot that partially rejects and partially accepts the Plan;
   (b) any Ballot sent to the Debtors, the Debtors' agents (other than the Solicitation Agent), any administrative agent, or the Debtors' financial or legal advisors;
   (c) any Ballot sent by facsimile or any electronic means other than via the Debtors' case administration website or the Solicitation Agent's email address;
   (d) any Ballot that is illegible or contains insufficient information to permit the identification of the Holder of the Claim;
   (e) any Ballot cast by an entity that does not hold a Claim in the Class indicated in Item 1 of the Ballot;
   (f) any Ballot submitted by a Holder not entitled to vote pursuant to the Plan;
   (g) any unsigned Ballot;
   (h) any non-original Ballot; and/or
   (i) any Ballot not marked to accept or reject the Plan or any Ballot marked both to accept and reject the Plan.

7. The method of delivery of a Ballot to the Solicitation Agent is at the election and risk of each Holder of a Claim. Except as otherwise provided herein, such delivery will be deemed made only when the Solicitation Agent **actually receives** the original executed Ballot. In all cases, Holders should allow sufficient time to assure timely delivery.

8. If multiple Ballots are received from the same Holder of a Claim with respect to the same Claim prior to the Voting Deadline, the latest, timely received, and properly completed Ballot will supersede and revoke any earlier received Ballots; *provided* that a Holder may not change its vote in a previously cast Ballot from acceptance to

rejection or from rejection to acceptance without first obtaining authority from the Court pursuant to the requirements of and in compliance with Bankruptcy Rule 3018(a). Accordingly, a Ballot changing a vote in a previously submitted Ballot without authority from the Court will not be counted.

9. You must vote all of your Claims within a Class either to accept or reject the Plan and may not split your vote. Further, if a Holder has multiple Claims within a Class, the Debtors may, in their discretion, aggregate the Claims of any particular Holder with multiple Claims within such Class for the purpose of counting votes.

10. This Ballot does not constitute, and shall not be deemed to be, (a) a Proof of Claim or (b) an assertion or admission of a Claim.

11. **Please be sure to sign and date your Ballot**.

12. If you hold Claims in more than one Class under the Plan you may receive more than one Ballot coded for each different Class. Each Ballot votes only your Claims indicated on that Ballot, so please complete and return each Ballot that you receive.

Please return your Ballot promptly.

If you have any questions regarding this Ballot, these Voting Instructions, or the Solicitation and Voting Procedures, please call the Debtors' restructuring hotline at (844) 212-9942 (toll free) in the United States or Canada, or, if outside of the United States or Canada, +1 (818) 906-8300, or email hollanderballots@omnimgt.com.

If the Solicitation Agent does not actually receive this Ballot on or before the Voting Deadline, which is on August 28, 2019, at 4:00 p.m., prevailing Eastern Time (and if the Voting Deadline is not extended), your vote transmitted hereby may be counted only in the sole and absolute discretion of the Debtors.

Exhibit 2B

Form Class 5 Ballot

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
HOLLANDER SLEEP PRODUCTS, LLC, *et al.*,[1]	)	Case No. 19-11608 (MEW)
Debtors.	)	(Jointly Administered)

BALLOT FOR VOTING TO ACCEPT OR REJECT THE DEBTORS' JOINT PLAN OF REORGANIZATION PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE

CLASS 5 CLAIMS

Please read and follow the enclosed instructions for completing Ballots carefully before completing this Ballot.

In order for your vote to be counted, this Ballot must be completed, executed, and returned so as to be actually received by the Solicitation Agent by August 28, 2019, at 4:00 p.m., prevailing Eastern Time (the "Voting Deadline"), in accordance with the following:

The above-captioned debtors and debtors in possession (collectively, the "Debtors") are soliciting votes with respect to the *Debtors' First Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. [●]] (as amended, supplemented, or modified from time to time, the "Plan") as set forth in the *Disclosure Statement for the Debtors' First Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. [●]] (as amended, supplemented, or modified from time to time, the "Disclosure Statement"). The United States Bankruptcy Court for the Southern District of New York (the "Court") has approved the Disclosure Statement as containing adequate information pursuant to section 1125 of the Bankruptcy Code by entry of an order on [●], 2019 [Docket No. ●] (the "Disclosure Statement Order"). Court approval of the Disclosure Statement does not indicate approval of the Plan by the Court. Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Plan.

You are receiving this ballot (the "Ballot") because you are a Holder of a Class 5 Claim as of **July 29, 2019** (the "Voting Record Date"). Accordingly, you have a right to vote to accept or reject the Plan. You can cast your vote through this Ballot.

Your rights are described in the Disclosure Statement, which is included in the package (the "Solicitation Package") you are receiving with this Ballot (as well as the Plan, Disclosure Statement Order, and certain other materials). If you received Solicitation Package materials in electronic format and desire paper copies, or if you need to obtain additional Solicitation Packages, you may obtain them (a) from Omni Management Group (the "Solicitation Agent") at no charge by: (i) calling the Debtors' restructuring hotline at (844) 212-9942 within the United States or Canada or, outside of the United States or Canada, by calling +1 (818) 906-8300; (ii) visiting the Debtors' restructuring website at www.omnimgt.com/hollander; (iii) writing to Hollander Sleep Products, LLC, Ballot Processing, c/o Omni

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors' service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

Management Group, 5955 DeSoto Avenue, Suite #100, Woodland Hills, CA 91367; or (iv) emailing hollanderballots@omnimgt.com and requesting paper copies of the corresponding materials previously received in electronic format (to be provided at the Debtors' expense); and/or (b) for a fee via PACER at http://www.nysb.uscourts.gov.

This Ballot may not be used for any purpose other than for casting votes to accept or reject the Plan, agreeing to or opting into certain releases described below, and making certain certifications with respect to the Plan. If you believe you have received this Ballot in error, or if you believe that you have received the wrong ballot, please contact the Solicitation Agent immediately at the address, telephone number, or email address set forth above.

You should review the Disclosure Statement and the Plan before you vote. You may wish to seek legal advice concerning the Plan and the Plan's classification and treatment of your Claim. Your Claim has been placed in Class 5 under the Plan. If you hold Claims in more than one Class, you will receive a ballot for each Class in which you are entitled to vote.

The Court may confirm the Plan and thereby bind all Holders of Claims and Interests. **To have your vote count as either an acceptance or rejection of the Plan, you must complete and return this Ballot so that the Solicitation Agent actually receives it on or before the Voting Deadline.**

The Voting Deadline is on August 28, 2019, at 4:00 p.m., prevailing Eastern Time.

Item 1. Amount of Claim.

The undersigned hereby certifies that as of the Voting Record Date, the undersigned was the holder of Class 5 Claims in the following aggregate amount (insert amount in box below):

Amount of Claim: $_____

Item 2. Vote on Plan.

The Holder of the Class 5 Claim against the Debtors set forth in Item 1 votes to (please check one):

☐ **ACCEPT** (vote FOR) the Plan	☐ **REJECT** (vote AGAINST) the Plan

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Item 3. Important information regarding the Debtor Release, Third-Party Release, Exculpation, and Injunction.

ARTICLE VIII OF THE PLAN CONTAINS RELEASE, EXCULPATION, AND INJUNCTION PROVISIONS. EXCERPTS OF SUCH PROVISIONS ARE SET FORTH BELOW BUT PARTIES SHOULD RELY ONLY ON THE TERMS OF THE PLAN. PARTIES RECEIVING THIS BALLOT MAY OPT INTO THE THIRD-PARTY RELEASE PROVISIONS BY CHECKING THE BOX BELOW SPECIFICALLY PROVIDING FOR THE ACCEPTANCE OF THE THIRD-PARTY RELEASE PROVISIONS.

IF YOU VOTE TO ACCEPT THE PLAN, YOU SHALL BE DEEMED TO HAVE CONSENTED TO THE PLAN'S THIRD-PARTY RELEASE CONTAINED IN ARTICLE VIII OF THE PLAN, AS DESCRIBED IN THIS ITEM 3.

IF YOU VOTE TO REJECT THE PLAN OR WISH TO ABSTAIN FROM VOTING AND YOU WISH TO RELEASE CLAIMS YOU MAY HAVE AGAINST THE RELEASED PARTIES, YOU MAY CHECK THE BOX BELOW TO OPT INTO THE RELEASES; HOWEVER, YOU ARE NOT REQUIRED TO DO SO.

REGARDLESS OF WHETHER YOU ELECT TO OPT INTO THE PLAN'S THIRD-PARTY RELEASE PROVISIONS, YOUR RECOVERY UNDER THE PLAN REMAINS UNAFFECTED.

The undersigned Holder of the Class 5 Claim against the Debtors set forth in Item 1 elects to:

☐ **Opt Into the Third-Party Release in Article VIII of the Plan**

PARTIES THAT SIGN THE AMENDED & RESTATED RESTRUCTURING SUPPORT AGREEMENT SHALL BE DEEMED TO HAVE GRANTED THE THIRD-PARTY RELEASE REGARDLESS OF WHETHER THEY ELECT TO OPT INTO THE THIRD-PARTY RELEASE ON THEIR BALLOT.

Article VIII.D of the Plan contains the following Third-Party Release:

Effective as of the Effective Date, in exchange for good and valuable consideration, including the obligations of the Debtors under the Plan and the contributions of the Released Parties in facilitating the expeditious reorganization of the Debtors and the implementation of the restructuring contemplated by the Plan, to the fullest extent permissible under applicable law, as such law may be extended or integrated after the Effective Date, on and after the Effective Date each of the Releasing Parties shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever, released and discharged each Debtor, Reorganized Debtor, and Released Party from any and all Claims, interests, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, including any derivative claims, asserted or assertable on behalf of any of the Debtors, the Reorganized Debtors, or their Estates, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions, the Restructuring Transactions, the Sale Transaction (if applicable), entry into the Exit Facilities, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, filing, or consummation of the RSA, the Disclosure Statement, the DIP Facilities, the Sale Transaction (if applicable), the Exit Facilities, the Plan, the Plan Supplement, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the RSA, the Disclosure Statement, the DIP Facilities, or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, other than claims or liabilities arising out of or relating

to any act or omission of a Released Party that constitutes actual fraud, willful misconduct, or gross negligence, each solely to the extent as determined by a Final Order of a court of competent jurisdiction. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release any post-Effective Date obligations of any party or Entity under the Plan, any Restructuring Transaction, or any document, instrument, or agreement (including the Exit Facility Documents and any documents set forth in the Plan Supplement) executed to implement the Plan.

* * * * *

UNDER THE PLAN, "RELEASED PARTY" MEANS, COLLECTIVELY, AND IN EACH CASE IN ITS CAPACITY AS SUCH: (A) THE DEBTORS; (B) THE REORGANIZED DEBTORS; (C) THE PREPETITION SECURED LENDERS; (D) THE PREPETITION AGENTS; (E) THE DIP LENDERS; (F) THE PUT PURCHASERS; (G) THE DIP AGENTS; (H) THE EXIT FACILITY LENDERS; (I) THE EXIT FACILITY AGENTS; (J) THE WINNING BIDDER; (K) THE SPONSOR; (L) THE PARTIES TO THE RSA; (M) THE COMMITTEE; AND (N) WITH RESPECT TO EACH OF THE FOREGOING IN CLAUSES (A) THROUGH (M), SUCH ENTITY AND ITS CURRENT AND FORMER AFFILIATES, AND SUCH ENTITIES' AND THEIR CURRENT AFFILIATES' DIRECTORS, MANAGERS, OFFICERS, EQUITY HOLDERS (REGARDLESS OF WHETHER SUCH INTERESTS ARE HELD DIRECTLY OR INDIRECTLY), PREDECESSORS, PARTICIPANTS, SUCCESSORS, AND ASSIGNS, SUBSIDIARIES, AFFILIATES, MANAGED ACCOUNTS OR FUNDS, AND EACH OF THEIR RESPECTIVE CURRENT AND FORMER EQUITY HOLDERS, OFFICERS, DIRECTORS, MANAGERS, PRINCIPALS, SHAREHOLDERS, MEMBERS (OTHER THAN MEMBERS OF THE COMMITTEE), MANAGEMENT COMPANIES, FUND ADVISORS, EMPLOYEES, AGENTS, ADVISORY BOARD MEMBERS, FINANCIAL ADVISORS, PARTNERS, ATTORNEYS, ACCOUNTANTS, INVESTMENT BANKERS, CONSULTANTS, REPRESENTATIVES, AND OTHER PROFESSIONALS; *PROVIDED* THAT ANY OF THE FOREGOING THAT DOES NOT CONSENT TO THE RELEASES SHALL NOT BE A "RELEASED PARTY."

IF YOU VOTE TO ACCEPT THE PLAN YOU WILL BE DEEMED A RELEASING PARTY PROVIDING THE THIRD-PARTY RELEASE CONTAINED IN ARTICLE VIII.D OF THE PLAN.

* * * * *

Item 4. Certifications.

By signing this Ballot, the undersigned certifies to the Court and the Debtors that:

(a) as of the Voting Record Date, the entity is either: (i) the Holder of the Claims being voted on this Ballot; or (ii) an authorized signatory for an entity that is the Holder of the Claims being voted on this Ballot;
(b) the entity (or in the case of an authorized signatory, the Holder) has received a copy of the Disclosure Statement and the Solicitation Package and acknowledges that the solicitation is being made pursuant to the terms and conditions set forth therein;
(c) the entity has reviewed the Plan and the Disclosure Statement with respect to the Third-Party Release and has made an informed decision whether or not to consent to the Third-Party Release;
(d) the entity has cast the same vote with respect to all its Claims in a single Class; and
(e) no other Ballots with respect to the Claims identified in Item 1 have been cast or, if any other Ballots have been cast with respect to such Claims, then any such earlier received Ballots are hereby revoked.

Name of Holder:	(Print or Type)
Signature:	
Name of Signatory:	(If other than Holder)
Title:	
Address:	
Telephone Number:	
Email:	
Date Completed:	

Please complete, sign, and date this Ballot and return it (with an original signature) promptly in the envelope provided via first-class mail, overnight courier, or hand-delivery to:

Hollander Sleep Products, LLC, Ballot Processing
c/o Omni Management Group
5955 DeSoto Avenue, Suite #100
Woodland Hills, CA 91367

OR

Complete, sign, and date this Ballot and submit it *promptly* (with an original signature) via the "Submit E-Ballot" section of the Debtors' case administration website at www.omnimgt.com/hollander, pursuant to the instructions set forth therein, or via email to the Solicitation Agent at hollanderballots@omnimgt.com.

The "Submit E-Ballot" section of the Debtors' case administration website and the Solicitation Agent's email address are the sole manners in which Ballots will be accepted via electronic or online transmission. Ballots submitted by facsimile or other means of electronic transmission will not be counted.

Creditors who submit a Ballot using the "Submit E-Ballot" section of the Debtors' case administration website or by emailing the Solicitation Agent should NOT also submit a Ballot via first-class mail, overnight courier, or hand-delivery.

If the Solicitation Agent does not actually receive this Ballot on or before August 28, 2019, at 4:00 p.m., prevailing Eastern Time (and if the Voting Deadline is not extended), your vote transmitted by this Ballot may be counted toward Confirmation of the Plan only in the sole and absolute discretion of the Debtors.

INSTRUCTIONS FOR COMPLETING THIS BALLOT

1. The Debtors are soliciting the votes of Holders of Claims with respect to the Plan attached as **Exhibit A** to the Disclosure Statement. Capitalized terms used in the Ballot or in these instructions (the "Ballot Instructions") but not otherwise defined therein or herein shall have the meanings set forth in the Plan, a copy of which also accompanies the Ballot. **Please read the Plan and Disclosure Statement carefully before completing this Ballot.**

2. The Plan can be confirmed by the Court and thereby made binding upon you if it is accepted by the Holders of at least two-thirds in amount and more than one-half in number of Claims in at least one Class of creditors that votes on the Plan and if the Plan otherwise satisfies the requirements for confirmation provided by section 1129(a) of the Bankruptcy Code. Please review the Disclosure Statement for more information.

3. To ensure that your Ballot is counted, you **must** complete and submit this hard copy Ballot.

4. **Use of Ballot**. To ensure that your hard copy Ballot is counted, you must: (a) complete your Ballot in accordance with these instructions; (b) clearly indicate your decision either to accept or reject the Plan in the boxes provided in Item 2 of the Ballot; and (c) clearly sign and return your original Ballot (i) in the enclosed pre-addressed envelope or via first-class mail, overnight courier, or hand-delivery to Hollander Sleep Products, LLC, Ballot Processing, c/o Omni Management Group, 5955 DeSoto Avenue, Suite #100, Woodland Hills, CA 91367, in accordance with paragraph 6 below or (ii) by following the instructions on the Debtors' case administration website at www.omnimgt.com/hollander (click "Submit E-Ballot" link) or by emailing the Solicitation Agent at hollanderballots@omnimgt.com. The Debtors' case administration website and the Solicitation Agent's email address are the sole manner in which Ballots in this class will be accepted via electronic or online transmission. **Ballots will not be accepted by facsimile or electronic means (other than the Debtors' case administration website and the Solicitation Agent's email address)**

5. Your Ballot **must** be returned to the Solicitation Agent so as to be **actually received** by the Solicitation Agent on or before the Voting Deadline. **The Voting Deadline is August 28, 2019, at 4:00 p.m., prevailing Eastern Time**.

6. If a Ballot is received after the Voting Deadline (and if the Voting Deadline is not extended), it may be counted only in the sole and absolute discretion of the Debtors. Additionally, **the following Ballots will not be counted**:

   (a) any Ballot that partially rejects and partially accepts the Plan;
   (b) any Ballot sent to the Debtors, the Debtors' agents (other than the Solicitation Agent), any administrative agent, or the Debtors' financial or legal advisors;
   (c) any Ballot sent by facsimile or any electronic means other than via the Debtors' case administration website or the Solicitation Agent's email address;
   (d) any Ballot that is illegible or contains insufficient information to permit the identification of the Holder of the Claim;
   (e) any Ballot cast by an entity that does not hold a Claim in the Class indicated in Item 1 of the Ballot;
   (f) any Ballot submitted by a Holder not entitled to vote pursuant to the Plan;
   (g) any unsigned Ballot;
   (h) any non-original Ballot; and/or
   (i) any Ballot not marked to accept or reject the Plan or any Ballot marked both to accept and reject the Plan.

7. The method of delivery of a Ballot to the Solicitation Agent is at the election and risk of each Holder of a Claim. Except as otherwise provided herein, such delivery will be deemed made only when the Solicitation Agent **actually receives** the original executed Ballot. In all cases, Holders should allow sufficient time to assure timely delivery.

8. If multiple Ballots are received from the same Holder of a Claim with respect to the same Claim prior to the Voting Deadline, the latest, timely received, and properly completed Ballot will supersede and revoke any earlier received Ballots; *provided* that a Holder may not change its vote in a previously cast Ballot from acceptance to

rejection or from rejection to acceptance without first obtaining authority from the Court pursuant to the requirements of and in compliance with Bankruptcy Rule 3018(a). Accordingly, a Ballot changing a vote in a previously submitted Ballot without authority from the Court will not be counted.

9. You must vote all of your Claims within a Class either to accept or reject the Plan and may not split your vote. Further, if a Holder has multiple Claims within a Class, the Debtors may, in their discretion, aggregate the Claims of any particular Holder with multiple Claims within such Class for the purpose of counting votes.

10. This Ballot does not constitute, and shall not be deemed to be, (a) a Proof of Claim or (b) an assertion or admission of a Claim.

11. **Please be sure to sign and date your Ballot**.

12. If you hold Claims in more than one Class under the Plan you may receive more than one Ballot coded for each different Class. Each Ballot votes only your Claims indicated on that Ballot, so please complete and return each Ballot that you receive.

Please return your Ballot promptly.

If you have any questions regarding this Ballot, these Voting Instructions, or the Solicitation and Voting Procedures, please call the Debtors' restructuring hotline at (844) 212-9942 (toll free) in the United States or Canada, or, if outside of the United States or Canada, +1 (818) 906-8300, or email hollanderballots@omnimgt.com.

If the Solicitation Agent does not actually receive this Ballot on or before the Voting Deadline, which is on August 28, 2019, at 4:00 p.m., prevailing Eastern Time (and if the Voting Deadline is not extended), your vote transmitted hereby may be counted only in the sole and absolute discretion of the Debtors.

Exhibit 3

Non-Impaired Non-Voting Status Notice

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
HOLLANDER SLEEP PRODUCTS, LLC, *et al.*,[1]	)	Case No. 19-11608 (MEW)
Debtors.	)	(Jointly Administered)

NOTICE OF NON-VOTING STATUS TO HOLDERS OF UNIMPAIRED CLAIMS CONCLUSIVELY PRESUMED TO ACCEPT THE PLAN

PLEASE TAKE NOTICE that on [●], 2019, the United States Bankruptcy Court for the Southern District of New York (the "Court") entered an order [Docket No. ●] (the "Disclosure Statement Order"), (a) authorizing Hollander Sleep Products, LLC and its affiliated debtors and debtors in possession (collectively, the "Debtors"), to solicit acceptances for the *Debtors' First Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. [●]] (as modified, amended, or supplemented from time to time, the "Plan"); (b) approving the *Disclosure Statement for the Debtors' First Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. [●]] (as modified, amended, or supplemented from time to time, the "Disclosure Statement")[2] as containing "adequate information" pursuant to section 1125 of the Bankruptcy Code; (c) approving the solicitation materials and documents to be included in the solicitation packages; and (d) approving procedures for soliciting, receiving, and tabulating votes on the Plan and for filing objections to the Plan.

PLEASE TAKE FURTHER NOTICE that because of the nature and treatment of your Claim under the Plan, **you are not entitled to vote on the Plan**. Specifically, under the terms of the Plan, as a Holder of a Claim (as currently asserted against the Debtors) that is not impaired and conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code, you are not entitled to vote on the Plan.

PLEASE TAKE FURTHER NOTICE that the hearing at which the Court will consider Confirmation of the Plan (the "Confirmation Hearing") will commence on **September 4, 2019, at 11:00 a.m., prevailing Eastern Time**, before the Honorable Michael E. Wiles, in the United

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors' service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

[2] Capitalized terms not otherwise defined herein shall have the same meanings set forth in the Plan or Disclosure Statement, as applicable.

States Bankruptcy Court for the Southern District of New York, located at One Bowling Green, New York, New York 10004-1408.

PLEASE TAKE FURTHER NOTICE that the deadline for filing objections to the Plan is **August 28, 2019, at 4:00 p.m., prevailing Eastern Time** (the "Plan Objection Deadline"). Any objection to the Plan must: (a) be in writing; (b) conform to the Bankruptcy Rules, the Local Rules, and any orders of the Court; (c) state, with particularity, the basis and nature of any objection to the Plan and, if practicable, a proposed modification to the Plan that would resolve such objection; (d) be filed with the Court (contemporaneously with a proof of service) so as to be actually received on or before **August 28, 2019, at 4:00 p.m., prevailing Eastern Time**; and (e) be served so that it is actually received by the Plan Objection Deadline by each of the entities on the Master Service List (as defined in the case management order in these chapter 11 cases [Docket No. 184] and available on the Debtors' case website at www.omnimgt.com/hollander).

PLEASE TAKE FURTHER NOTICE that if you would like to obtain a copy of the Disclosure Statement, the Plan, the Plan Supplement, or related documents, you should contact Omni Management Group, the Solicitation Agent retained by the Debtors in these chapter 11 cases, by: (a) calling the Debtors' restructuring hotline at (844) 212-9942 within the United States or Canada or, outside of the United States or Canada, by calling +1 (818) 906-8300; (b) visiting the Debtors' restructuring website at: www.omnimgt.com/hollander; and/or (c) writing to Hollander Sleep Products, LLC, Ballot Processing, c/o Omni Management Group, 5955 DeSoto Avenue, Suite #100, Woodland Hills, CA 91367. You may also obtain copies of any pleadings filed in these chapter 11 cases for a fee via PACER at: http://www.nysb.uscourts.gov.

PLEASE TAKE FURTHER NOTICE that Article VIII of the Plan contains certain release, injunction, and exculpation provisions, including the Third-Party Releases set forth below. You are advised to carefully review and consider the Plan, including the release, injunction, and exculpation provisions, as your rights may be affected.

Article VIII.D of the Plan contains the following Third-Party Release:[3]

Effective as of the Effective Date, in exchange for good and valuable consideration, including the obligations of the Debtors under the Plan and the contributions of the Released Parties in facilitating the expeditious reorganization of the Debtors and the implementation of the restructuring contemplated by the Plan, to the fullest extent permissible under applicable law, as such law may be extended or integrated after the Effective Date, on and

[3] The Released Parties are: (a) the Debtors; (b) the Reorganized Debtors; (c) the Prepetition Secured Lenders; (d) the Prepetition Agents; (e) the DIP Lenders; (f) the Put Purchasers; (g) the DIP Agents; (h) the Exit Facility Lenders; (i) the Exit Facility Agents; (j) the Winning Bidder; (k) the Sponsor; (l) the parties to the RSA; (m) the Committee; and (n) with respect to each of the foregoing in clauses (a) through (m), such Entity and its current and former Affiliates, and such Entities' and their current Affiliates' directors, managers, officers, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, participants, successors, and assigns, subsidiaries, affiliates, managed accounts or funds, and each of their respective current and former equity holders, officers, directors, managers, principals, shareholders, members (other than members of the Committee), management companies, fund advisors, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals; *provided* that any of the foregoing that does not consent to the releases shall not be a "Released Party."

after the Effective Date each of the Releasing Parties shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever, released and discharged each Debtor, Reorganized Debtor, and Released Party from any and all Claims, interests, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, including any derivative claims, asserted or assertable on behalf of any of the Debtors, the Reorganized Debtors, or their Estates, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions, the Restructuring Transactions, the Sale Transaction (if applicable), entry into the Exit Facilities, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, filing, or consummation of the RSA, the Disclosure Statement, the DIP Facilities, the Sale Transaction (if applicable), the Exit Facilities, the Plan, the Plan Supplement, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the RSA, the Disclosure Statement, the DIP Facilities, or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, other than claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes actual fraud, willful misconduct, or gross negligence, each solely to the extent as determined by a Final Order of a court of competent jurisdiction. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release any post-Effective Date obligations of any party or Entity under the Plan, any Restructuring Transaction, or any document, instrument, or agreement (including the Exit Facility Documents and any documents set forth in the Plan Supplement) executed to implement the Plan.

* * * * *

This Notice of Non-Voting Status may be returned by mail or by electronic, online transmission solely by emailing the Debtors' Solicitation Agent following the directions described below. Please choose only one method of return of your Notice of Non-Voting Status.

HOW TO OPT INTO THE RELEASES.

1. If you wish to make an election to opt into the release provisions contained in Article VIII.D of the Plan set forth above check the box in Item 1.
2. Review the certifications contained in Item 2.

3. Sign and date this notice of non-voting status and fill out the other required information in the applicable area below.

4. For your election to opt into the release provisions to be counted, your Notice of Non-Voting Status and Opt-In Form must be properly completed and actually received by the solicitation agent no later than **August 28, 2019, at 4:00 p.m., prevailing Eastern Time**. To opt into the release provisions, you may use the postage-paid envelope provided or send your notice of non-voting status to the following address:

Hollander Sleep Products, LLC, Ballot Processing
c/o Omni Management Group
5955 DeSoto Avenue, Suite #100
Woodland Hills, CA 91367

You may also opt into the release provision by emailing your notice of non-voting status to the Debtors' Solicitation Agent at hollanderballots@omnimgt.com. If you choose to submit your Notice of Non-Voting Status and Opt-In Form via email, you should not return a hard copy of your Notice of Non-Voting Status and Opt-In Form by mail.

EMAILING THE DEBTORS' SOLICITATION AGENT IS THE SOLE MANNER IN WHICH NOTICE OF NON-VOTING STATUS MAY BE DELIVERED VIA ELECTRONIC TRANSMISSION.

NOTICES OF NON-VOTING STATUS AND OPT-IN FORM SUBMITTED BY FACSIMILE OR OTHER ELECTRONIC MEANS WILL NOT BE COUNTED.

Item 1. Release.

PLEASE TAKE NOTICE that you may check the box below to opt into the release provisions contained in Article VIII.D of the Plan and set forth above.

IF YOU OPT INTO THE RELEASE PROVISIONS BY CHECKING THE BOX BELOW AND PROPERLY AND TIMELY SUBMITTING THIS NOTICE OF NON-VOTING STATUS, YOU WILL BE DEEMED TO HAVE UNCONDITIONALLY, IRREVOCABLY, AND FOREVER RELEASED AND DISCHARGED THE RELEASED PARTIES (AS DEFINED IN THE PLAN) FROM, AMONG OTHER THINGS, ANY AND ALL CAUSES OF ACTION (AS DEFINED IN THE PLAN) EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED IN THE PLAN. IF YOU WOULD OTHERWISE BE ENTITLED TO A RELEASE UNDER ARTICLE VIII.D OF THE PLAN, BUT YOU DO NOT GRANT THE RELEASES CONTAINED IN ARTICLE VIII.D OF THE PLAN, THEN YOU SHALL NOT RECEIVE THE BENEFIT OF THE RELEASES SET FORTH IN ARTICLE VIII.D OF THE PLAN.

☐ **Opt Into** the Third-Party Release.

Item 2. Certification.

By returning this Notice of Non-Voting Status and Opt-In Form, the holder of the Unimpaired Claim(s) or Interest(s) identified below certifies that (a) it was the holder of Unimpaired Claim(s) or Interest(s) as of the Record Date and/or it has full power and authority to opt into the Third-Party Release for the Unimpaired Claim(s) or Interest(s) identified below with respect to such Unimpaired Claim(s) or Interest(s) and (b) it understands the scope of the releases.

YOUR RECEIPT OF THIS NOTICE OF NON-VOTING STATUS DOES NOT SIGNIFY THAT YOUR CLAIM OR INTEREST HAS BEEN OR WILL BE ALLOWED.

Name of Holder:	_____ (Print or Type)
Signature:	_____
Name of Signatory:	_____ (If other than Holder)
Title:	_____
Address:	_____
	_____
	_____
Telephone Number:	_____
Email:	_____
Date Completed:	_____

Exhibit 4

Impaired Non-Voting Status Notice

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
HOLLANDER SLEEP PRODUCTS, LLC, *et al.*,[1]	)	Case No. 19-11608 (MEW)
Debtors.	)	(Jointly Administered)

NOTICE OF NON-VOTING STATUS TO HOLDERS OF IMPAIRED CLAIMS AND EQUITY INTERESTS DEEMED TO REJECT THE PLAN

PLEASE TAKE NOTICE that on [●], 2019, the United States Bankruptcy Court for the Southern District of New York (the "Court") entered an order [Docket No. ●] (the "Disclosure Statement Order"), (a) authorizing Hollander Sleep Products, LLC and its affiliated debtors and debtors in possession (collectively, the "Debtors"), to solicit acceptances for the *Debtors' First Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. [●]] (as modified, amended, or supplemented from time to time, the "Plan"); (b) approving the *Disclosure Statement for the Debtors' First Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. [●]] (as modified, amended, or supplemented from time to time, the "Disclosure Statement")[2] as containing "adequate information" pursuant to section 1125 of the Bankruptcy Code; (c) approving the solicitation materials and documents to be included in the solicitation packages; and (d) approving procedures for soliciting, receiving, and tabulating votes on the Plan and for filing objections to the Plan.

PLEASE TAKE FURTHER NOTICE that because of the nature and treatment of your Claim or Interest under the Plan, **you are not entitled to vote on the Plan**. Specifically, under the terms of the Plan, as a Holder of a Claim or Interest (as currently asserted against the Debtors) that is receiving no distribution under the Plan, you are deemed to reject the Plan pursuant to section 1126(f) of the Bankruptcy Code and are not entitled to vote on the Plan.

PLEASE TAKE FURTHER NOTICE that the hearing at which the Court will consider Confirmation of the Plan (the "Confirmation Hearing") will commence on **September 4, 2019, at 11:00 a.m., prevailing Eastern Time**, before the Honorable Michael E. Wiles, in the United

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors' service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

[2] Capitalized terms not otherwise defined herein shall have the same meanings set forth in the Plan or Disclosure Statement, as applicable.

States Bankruptcy Court for the Southern District of New York, located at One Bowling Green, New York, New York 10004-1408.

PLEASE TAKE FURTHER NOTICE that the deadline for filing objections to the Plan is **August 28, 2019, at 4:00 p.m., prevailing Eastern Time** (the "Plan Objection Deadline"). Any objection to the Plan must: (a) be in writing; (b) conform to the Bankruptcy Rules, the Local Rules, and any orders of the Court; (c) state, with particularity, the basis and nature of any objection to the Plan and, if practicable, a proposed modification to the Plan that would resolve such objection; (d) be filed with the Court (contemporaneously with a proof of service) so as to be actually received on or before **August 28, 2019, at 4:00 p.m., prevailing Eastern Time**; and (e) be served so that it is actually received by the Plan Objection Deadline by each of the entities on the Master Service List (as defined in the case management order in these chapter 11 cases [Docket No. 184] and available on the Debtors' case website at www.omnimgt.com/hollander).

PLEASE TAKE FURTHER NOTICE that if you would like to obtain a copy of the Disclosure Statement, the Plan, the Plan Supplement, or related documents, you should contact Omni Management Group, the Solicitation Agent retained by the Debtors in these chapter 11 cases, by: (a) calling the Debtors' restructuring hotline at (844) 212-9942 within the United States or Canada or, outside of the United States or Canada, by calling +1 (818) 906-8300; (b) visiting the Debtors' restructuring website at: www.omnimgt.com/hollander; and/or (c) writing to Hollander Sleep Products, LLC, Ballot Processing, c/o Omni Management Group, 5955 DeSoto Avenue, Suite #100, Woodland Hills, CA 91367. You may also obtain copies of any pleadings filed in these chapter 11 cases for a fee via PACER at: http://www.nysb.uscourts.gov.

PLEASE TAKE FURTHER NOTICE that Article VIII of the Plan contains certain release, injunction, and exculpation provisions, including the Third-Party Releases set forth below. You are advised to carefully review and consider the Plan, including the release, injunction, and exculpation provisions, as your rights may be affected.

Article VIII.D of the Plan contains the following Third-Party Release:[3]

Effective as of the Effective Date, in exchange for good and valuable consideration, including the obligations of the Debtors under the Plan and the contributions of the Released Parties in facilitating the expeditious reorganization of the Debtors and the implementation of the restructuring contemplated by the Plan, to the fullest extent permissible under applicable law, as such law may be extended or integrated after the Effective Date, on and

[3] The Released Parties are: (a) the Debtors; (b) the Reorganized Debtors; (c) the Prepetition Secured Lenders; (d) the Prepetition Agents; (e) the DIP Lenders; (f) the Put Purchasers; (g) the DIP Agents; (h) the Exit Facility Lenders; (i) the Exit Facility Agents; (j) the Winning Bidder; (k) the Sponsor; (l) the parties to the RSA; (m) the Committee; and (n) with respect to each of the foregoing in clauses (a) through (m), such Entity and its current and former Affiliates, and such Entities' and their current Affiliates' directors, managers, officers, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, participants, successors, and assigns, subsidiaries, affiliates, managed accounts or funds, and each of their respective current and former equity holders, officers, directors, managers, principals, shareholders, members (other than members of the Committee), management companies, fund advisors, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals; *provided* that any of the foregoing that does not consent to the releases shall not be a "Released Party."

after the Effective Date each of the Releasing Parties shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever, released and discharged each Debtor, Reorganized Debtor, and Released Party from any and all Claims, interests, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, including any derivative claims, asserted or assertable on behalf of any of the Debtors, the Reorganized Debtors, or their Estates, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions, the Restructuring Transactions, the Sale Transaction (if applicable), entry into the Exit Facilities, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, filing, or consummation of the RSA, the Disclosure Statement, the DIP Facilities, the Sale Transaction (if applicable), the Exit Facilities, the Plan, the Plan Supplement, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the RSA, the Disclosure Statement, the DIP Facilities, or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, other than claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes actual fraud, willful misconduct, or gross negligence, each solely to the extent as determined by a Final Order of a court of competent jurisdiction. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release any post-Effective Date obligations of any party or Entity under the Plan, any Restructuring Transaction, or any document, instrument, or agreement (including the Exit Facility Documents and any documents set forth in the Plan Supplement) executed to implement the Plan.

* * * * *

This Notice of Non-Voting Status may be returned by mail or by electronic, online transmission solely by emailing the Debtors' Solicitation Agent following the directions described below. Please choose only one method of return of your Notice of Non-Voting Status.

HOW TO OPT INTO THE RELEASES.

1. If you wish to make an election to opt into the release provisions contained in Article VIII.D of the Plan set forth above check the box in Item 1.
2. Review the certifications contained in Item 2.

3. Sign and date this notice of non-voting status and fill out the other required information in the applicable area below.

4. For your election to opt into the release provisions to be counted, your Notice of Non-Voting Status and Opt-In Form must be properly completed and actually received by the solicitation agent no later than **August 28, 2019, at 4:00 p.m., prevailing Eastern Time**. To opt into the release provisions, you may use the postage-paid envelope provided or send your notice of non-voting status to the following address:

Hollander Sleep Products, LLC, Ballot Processing
c/o Omni Management Group
5955 DeSoto Avenue, Suite #100
Woodland Hills, CA 91367

You may also opt into the release provision by emailing your notice of non-voting status to the Debtors' Solicitation Agent at hollanderballots@omnimgt.com. If you choose to submit your Notice of Non-Voting Status and Opt-In Form via email, you should not return a hard copy of your Notice of Non-Voting Status and Opt-In Form by mail.

EMAILING THE DEBTORS' SOLICITATION AGENT IS THE SOLE MANNER IN WHICH NOTICE OF NON-VOTING STATUS MAY BE DELIVERED VIA ELECTRONIC TRANSMISSION.

NOTICES OF NON-VOTING STATUS AND OPT-IN FORM SUBMITTED BY FACSIMILE OR OTHER ELECTRONIC MEANS WILL NOT BE COUNTED.

Item 1. Release.

PLEASE TAKE NOTICE that you may check the box below to opt into the release provisions contained in Article VIII.D of the Plan and set forth above.

IF YOU OPT INTO THE RELEASE PROVISIONS BY CHECKING THE BOX BELOW AND PROPERLY AND TIMELY SUBMITTING THIS NOTICE OF NON-VOTING STATUS, YOU WILL BE DEEMED TO HAVE UNCONDITIONALLY, IRREVOCABLY, AND FOREVER RELEASED AND DISCHARGED THE RELEASED PARTIES (AS DEFINED IN THE PLAN) FROM, AMONG OTHER THINGS, ANY AND ALL CAUSES OF ACTION (AS DEFINED IN THE PLAN) EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED IN THE PLAN. IF YOU WOULD OTHERWISE BE ENTITLED TO A RELEASE UNDER ARTICLE VIII.D OF THE PLAN, BUT YOU DO NOT GRANT THE RELEASES CONTAINED IN ARTICLE VIII.D OF THE PLAN, THEN YOU SHALL NOT RECEIVE THE BENEFIT OF THE RELEASES SET FORTH IN ARTICLE VIII.D OF THE PLAN.

☐ **Opt Into** the Third-Party Release.

Item 2. Certification.

By returning this Notice of Non-Voting Status and Opt-In Form, the holder of the Impaired Claim(s) or Interest(s) identified below certifies that (a) it was the holder of Impaired Claim(s) or Interest(s) as of the Record Date and/or it has full power and authority to opt into the Third-Party Release for the Impaired Claim(s) or Interest(s) identified below with respect to such Impaired Claim(s) or Interest(s) and (b) it understands the scope of the releases.

YOUR RECEIPT OF THIS NOTICE OF NON-VOTING STATUS DOES NOT SIGNIFY THAT YOUR CLAIM OR INTEREST HAS BEEN OR WILL BE ALLOWED.

Name of Holder:	_____ (Print or Type)
Signature:	_____
Name of Signatory:	_____ (If other than Holder)
Title:	_____
Address:	_____
	_____
	_____
Telephone Number:	_____
Email:	_____
Date Completed:	_____

Exhibit 5

Notice to Disputed Claim Holders

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
HOLLANDER SLEEP PRODUCTS, LLC, *et al.*,[1]	)	Case No. 19-11608 (MEW)
Debtors.	)	(Jointly Administered)

NOTICE OF NON-VOTING STATUS WITH RESPECT TO DISPUTED CLAIMS

PLEASE TAKE NOTICE that on [●], 2019, the United States Bankruptcy Court for the Southern District of New York (the "Court") entered an order [Docket No. [●]] (the "Disclosure Statement Order"), (a) authorizing Hollander Sleep Products, LLC and its affiliated debtors and debtors in possession (collectively, the "Debtors"), to solicit acceptances for the *Debtors' First Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* (as modified, amended, or supplemented from time to time, the "Plan") [Docket No. [●]]; (b) approving the *Disclosure Statement for the Debtors' First Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. [●]] (as modified, amended, or supplemented from time to time, the "Disclosure Statement")[2] as containing "adequate information" pursuant to section 1125 of the Bankruptcy Code; (c) approving the solicitation materials and documents to be included in the solicitation packages; and (d) approving procedures for soliciting, receiving, and tabulating votes on the Plan and for filing objections to the Plan.

PLEASE TAKE FURTHER NOTICE that the Disclosure Statement, Disclosure Statement Order, the Plan, and other documents and materials included in the Solicitation Package, except ballots, may be obtained at no charge from Omni Management Group, the Solicitation Agent retained by the Debtors in these chapter 11 cases (the "Solicitation Agent") by: (a) calling the Debtors' restructuring hotline at (844) 212-9942 within the United States or Canada, or outside of the United States or Canada, by calling +1 (818) 906-8300 (international); (b) visiting the Debtors' restructuring website at: www.omnimgt.com/hollander; and/or (c) writing to Hollander Sleep Products, LLC, Ballot Processing, c/o Omni Management Group, 5955 DeSoto Avenue, Suite #100, Woodland Hills, CA 91367. You may also obtain copies of any pleadings filed in these chapter 11 cases for a fee via PACER at: http://www.nysb.uscourts.gov.

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1 The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors' service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

2 Capitalized terms not otherwise defined herein shall have the same meanings set forth in the Plan or Disclosure Statement, as applicable.

PLEASE TAKE FURTHER NOTICE that you are receiving this notice because you are the Holder of a Claim that is subject to a pending objection by the Debtors. **You are not entitled to vote any disputed portion of your Claim on the Plan unless one or more of the following events have taken place before a date that is three business days before the Voting Deadline** (each, a "Resolution Event"):

1. an order of the Court is entered allowing such Claim pursuant to section 502(b) of the Bankruptcy Code, after notice and a hearing;

2. an order of the Court is entered temporarily allowing such Claim for voting purposes only pursuant to Bankruptcy Rule 3018(a), after notice and a hearing;

3. a stipulation or other agreement is executed between the Holder of such Claim and the Debtors temporarily allowing the Holder of such Claim to vote its Claim in an agreed upon amount; or

4. the pending objection to such Claim is voluntarily withdrawn by the objecting party.

Accordingly, this notice and the Disclosure Statement Order are being sent to you for informational purposes only.

PLEASE TAKE FURTHER NOTICE that if a Resolution Event occurs, then no later than one (1) business day thereafter, the Solicitation Agent shall distribute a ballot, and a pre-addressed, postage pre-paid envelope to you, which must be returned to the Solicitation Agent no later than the Voting Deadline, which is on **August 28, 2019, at 4:00 p.m., prevailing Eastern Time**.

PLEASE TAKE FURTHER NOTICE that if you have any questions about the status of any of your Claims, you should contact the Solicitation Agent in accordance with the instructions provided above.

* * * * *

New York, New York
Dated: _____, 2019

Joshua A. Sussberg, P.C.
Christopher T. Greco, P.C.
KIRKLAND & ELLIS LLP
KIRKLAND & ELLIS INTERNATIONAL LLP
601 Lexington Avenue
New York, New York 10022
Telephone: (212) 446-4800
Facsimile: (212) 446-4900

- and -

Joseph M. Graham (admitted *pro hac vice*)
KIRKLAND & ELLIS LLP
KIRKLAND & ELLIS INTERNATIONAL LLP
300 North LaSalle Street
Chicago, Illinois 60654
Telephone: (312) 862-2000
Facsimile: (312) 862-2200

Counsel to the Debtors and Debtors in Possession

Exhibit 6

Cover Letter

HOLLANDER

SLEEP PRODUCTS

[DATE]

Via First Class Mail

RE: *In re Hollander Sleep Products, LLC, et al*., Chapter 11 Case No. 19-11608 (MEW) (Bankr. S.D.N.Y.)

TO ALL HOLDERS OF CLAIMS ENTITLED TO VOTE ON THE PLAN:

Hollander Sleep Products, LLC and its affiliated debtors and debtors in possession (collectively, the "Debtors")[1] each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of New York (the "Court") on May 19, 2019.

You have received this letter and the enclosed materials because you are entitled to vote on the *Debtors' First Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. [●]] (as modified, amended, or supplemented from time to time, the "Plan"). On [●], 2019, the Court entered an order [Docket No. [●]] (the "Disclosure Statement Order"), (a) authorizing the Debtors to solicit acceptances for the Plan; (b) approving the *Disclosure Statement for the Debtors' First Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. [●]] (as modified, amended, or supplemented from time to time, the "Disclosure Statement")[2] as containing "adequate information" pursuant to section 1125 of the Bankruptcy Code; (c) approving the solicitation materials and documents to be included in the solicitation packages (the "Solicitation Package"); and (d) approving procedures for soliciting, receiving, and tabulating votes on the Plan, and for filing objections to the Plan.

You are receiving this letter because you are entitled to vote on the Plan. Therefore, you should read this letter carefully and discuss it with your attorney. If you do not have an attorney, you may wish to consult one.

In addition to this cover letter, the enclosed materials comprise your Solicitation Package, and were approved by the Court for distribution to Holders of Claims in connection with the solicitation of votes to accept the Plan. The Solicitation Package consists of the following:

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1 The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors' service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

2 Capitalized terms not otherwise defined herein shall have the same meanings set forth in the Plan or Disclosure Statement, as applicable.

a. a copy of the solicitation and voting procedures attached as **Exhibit 1** to the Disclosure Statement Order;

b. a Ballot, together with detailed voting instructions and a pre-addressed, postage pre-paid return envelope;

c. this letter;

d. the Disclosure Statement, as approved by the Court (and exhibits thereto, including the Plan);

e. the Disclosure Statement Order (excluding the exhibits thereto);

f. the notice of the hearing to consider confirmation of the Plan; and

g. such other materials as the Court may direct.

Hollander Sleep Products, LLC (on behalf of itself and each of the other Debtors) has approved the filing of the Plan and the solicitation of votes to accept the Plan. The Debtors believe that the acceptance of the Plan is in the best interests of their estates, Holders of Claims and Interests, and all other parties in interest. Moreover, the Debtors believe that any alternative other than Confirmation of the Plan could result in extensive delays and increased administrative expenses, which, in turn, likely would result in smaller distributions (or no distributions) on account of Claims asserted in these chapter 11 cases.

The Debtors strongly urge you to properly and timely submit your Ballot casting a vote to accept the Plan in accordance with the instructions in your Ballot.

The Voting Deadline is August 28, 2019, at 4:00 p.m., prevailing Eastern Time.

The materials in the Solicitation Package are intended to be self-explanatory. If you should have any questions, however, please feel free to contact Omni Management Group, the Solicitation Agent retained by the Debtors in these chapter 11 cases (the "Solicitation Agent"), by: (a) calling the Debtors' restructuring hotline at (844) 212-9942 in the United States or Canada, or, outside of the United States or Canada by calling +1 (818) 906-8300; (b) visiting the Debtors' restructuring website at: www.omnimgt.com/hollander; and/or (c) writing to Hollander Sleep Products, LLC, Ballot Processing, c/o Omni Management Group, 5955 DeSoto Avenue, Suite #100, Woodland Hills, CA 91367. You may also obtain copies of any pleadings filed in these chapter 11 cases for a fee via PACER at: http://www.nysb.uscourts.gov. Please be advised that the Solicitation Agent is authorized to answer questions about the Plan solicitation process, and provide additional copies of solicitation materials, but may not advise you as to whether you should vote to accept or reject the Plan.

Sincerely,

_____

Marc. L. Pfefferle
Chief Executive Officer

Exhibit 7

Confirmation Hearing Notice

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
HOLLANDER SLEEP PRODUCTS, LLC, *et al.*,[1]	)	Case No. 19-11608 (MEW)
Debtors.	)	(Jointly Administered)

NOTICE OF HEARING TO CONSIDER CONFIRMATION OF THE CHAPTER 11 PLAN FILED BY THE DEBTORS AND RELATED VOTING AND OBJECTION DEADLINES

PLEASE TAKE NOTICE that on [●], 2019, the United States Bankruptcy Court for the Southern District of New York (the "Court") entered an order [Docket No. [●]] (the "Disclosure Statement Order"), (a) authorizing Hollander Sleep Products, LLC and its affiliated debtors and debtors in possession (collectively, the "Debtors"), to solicit acceptances for the *Debtors' First Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. [●]] (as modified, amended, or supplemented from time to time, the "Plan"); (b) approving the *Disclosure Statement for the Debtors' First Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. [●]] (as modified, amended, or supplemented from time to time, the "Disclosure Statement")[2] as containing "adequate information" pursuant to section 1125 of the Bankruptcy Code; (c) approving the solicitation materials and documents to be included in the solicitation packages; and (d) approving procedures for soliciting, receiving, and tabulating votes on the Plan and for filing objections to the Plan.

PLEASE TAKE FURTHER NOTICE that the hearing at which the Court will consider Confirmation of the Plan (the "Confirmation Hearing") will commence on **September 4, 2019, at 11:00 a.m., prevailing Eastern Time**, before the Honorable Michael E. Wiles, in the United States Bankruptcy Court for the Southern District of New York, located at One Bowling Green, New York, New York 10004-1408.

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors' service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

[2] Capitalized terms not otherwise defined herein shall have the same meanings set forth in the Plan or Disclosure Statement, as applicable.

Please be advised: The Confirmation Hearing may be continued from time to time by the Court or the Debtors without further notice other than by such adjournment being announced in open court, by agenda filed with the Court, or by a notice of adjournment filed with the Court and served on all parties entitled to notice.

CRITICAL INFORMATION REGARDING VOTING ON THE PLAN

Voting Record Date. The voting record date is **July 29, 2019** (the "Voting Record Date"), which is the date for determining which Holders of Claims in Classes 4 and 5 are entitled to vote on the Plan.

Voting Deadline. The deadline for voting on the Plan is on **August 28, 2019, at 4:00 p.m., prevailing Eastern Time** (the "Voting Deadline"). If you received a Solicitation Package, including a Ballot, and intend to vote on the Plan, you must: (a) follow the instructions carefully; (b) complete all of the required information on the Ballot; and (c) execute and return your completed Ballot according to and as set forth in detail in the voting instructions so that it is actually received by the Debtors' solicitation agent, Omni Management Group (the "Solicitation Agent") on or before the Voting Deadline. **A failure to follow such instructions may disqualify your vote**.

CRITICAL INFORMATION REGARDING OBJECTING TO THE PLAN

Article VIII of the Plan contains Release, Exculpation, and Injunction provisions, and Article VIII.D contains a Third-Party Release. Thus, you are advised to review and consider the Plan carefully because your rights might be affected thereunder.

Plan Objection Deadline. The deadline for filing objections to the Plan is **August 28, 2019, at 4:00 p.m., prevailing Eastern Time** (the "Plan Objection Deadline"). All objections to the relief sought at the Confirmation Hearing must: (a) be in writing; (b) conform to the Bankruptcy Rules, the Local Rules, and any orders of the Court; (c) state, with particularity, the legal and factual basis for the objection and, if practicable, a proposed modification to the Plan (or related materials) that would resolve such objection; (d) be filed with the Court (contemporaneously with a proof of service) and so as to be actually received on or before **August 28, 2019, at 4:00 p.m., prevailing Eastern Time**; and (e) be served so that it is actually received by the Plan Objection Deadline by each of the entities on the Master Service List (as defined in the case management order in these chapter 11 cases [Docket No. 184] and available on the Debtors' case website at www.omnimgt.com/hollander).

ADDITIONAL INFORMATION

Obtaining Solicitation Materials. The materials in the Solicitation Package are intended to be self-explanatory. If you should have any questions or if you would like to obtain additional solicitation materials (or paper copies of solicitation materials if you received a flash drive or CD-ROM), please feel free to contact the Debtors' Solicitation Agent, by: (a) calling the Debtors' restructuring hotline at (844) 212-9942 within the United States or Canada or, outside of the United States or Canada, by calling +1 (818) 906-8300; (b) visiting the Debtors' restructuring website at: www.omnimgt.com/hollander; and/or (c) writing to Hollander Sleep Products, LLC, Ballot

Processing, c/o Omni Management Group, 5955 DeSoto Avenue, Suite #100, Woodland Hills, CA 91367. You may also obtain copies of any pleadings filed in these Chapter 11 Cases for a fee via PACER at: http://www.nysb.uscourts.gov. Please be advised that the Solicitation Agent is authorized to answer questions about, and provide additional copies of, solicitation materials, but may not advise you as to whether you should vote to accept or reject the Plan.

Filing the Plan Supplement. The Debtors will file the Plan Supplement (as defined in the Plan) 14 days before the first day of the Confirmation Hearing. Once filed, the Plan Supplement may be obtained from the Solicitation Agent for free or for a fee via PACER, each as set forth above.

Binding Nature of the Plan:

If confirmed, the Plan shall bind all Holders of Claims and Interests to the maximum extent permitted by applicable law, whether or not such Holder will receive or retain any property or interest in property under the Plan, has filed a Proof of Claim in these chapter 11 cases, or failed to vote to accept or reject the Plan or voted to reject the Plan.

HOW TO OPT INTO THE RELEASES

Any Holder of a Claim or Interest that wants to grant the Third-Party Release set forth in Article VIII.D of the Plan must return its Ballot or Non-Voting Status Notice, as applicable, to the Debtors' Solicitation Agent, Omni Management Group, by no later than **August 28, 2019**, by following the instructions for electing to opt into the Third-Party Release set forth in such Ballot or Non-Voting Status Notice, as applicable.[3]

RELEASES

Article VIII.C of the Plan contains the following Debtor Release:

Effective as of the Effective Date, pursuant to section 1123(b) of the Bankruptcy Code, for good and valuable consideration, including the service of the Released Parties in facilitating the expeditious reorganization of the Debtor and implementation of the restructuring contemplated by the Plan, the adequacy of which is hereby confirmed, on and after the Effective Date each Released Party is deemed released and discharged by each and all of the Debtors, the Reorganized Debtors, and their Estates, in each case on behalf of themselves and their respective successors, assigns, and representatives, and any and all other Entities who may purport to assert any Cause of Action, directly or derivatively, by, through, for, or because of the foregoing Entities, from any and all Claims, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, including any derivative claims, asserted or assertable on behalf of any of the Debtors, the Reorganized Debtors, or their Estates, as applicable, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, that the Debtors, the Reorganized

[3] Voting stakeholders who vote to accept the Plan will be deemed to consent to the Third-Party Release whether such voting stakeholders check the box on their respective Ballot to "opt into" the Third-Party Release or not.

Debtors, or their Estates or Affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim against, or Interest in, a Debtor or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions, the Restructuring Transactions, the Sale Transaction (if applicable), entry into the Exit Facilities, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, filing, or consummation of the RSA, the Disclosure Statement, the Prepetition Facilities, the DIP Facilities, the Sale Transaction (if applicable), the Exit Facilities, the Plan, the Plan Supplement, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the RSA, the Disclosure Statement, the Prepetition Facilities, the DIP Facilities, or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, other than claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes actual fraud, willful misconduct, or gross negligence, each solely to the extent as determined by a Final Order of a court of competent jurisdiction. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release (1) any post-Effective Date obligations of any party or Entity under the Plan, any Restructuring Transaction, or any document, instrument, or agreement (including the Exit Facility Documents and any documents set forth in the Plan Supplement) executed to implement the Plan and (2) any Causes of Action listed on the Schedule of Retained Causes of Action.

Article VIII.D of the Plan contains the following Third-Party Release:

Effective as of the Effective Date, in exchange for good and valuable consideration, including the obligations of the Debtors under the Plan and the contributions of the Released Parties in facilitating the expeditious reorganization of the Debtors and the implementation of the restructuring contemplated by the Plan, to the fullest extent permissible under applicable law, as such law may be extended or integrated after the Effective Date, on and after the Effective Date each of the Releasing Parties shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever, released and discharged each Debtor, Reorganized Debtor, and Released Party from any and all Claims, interests, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, including any derivative claims, asserted or assertable on behalf of any of the Debtors, the Reorganized Debtors, or their Estates, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in

the Plan, the business or contractual arrangements between any Debtor and any Released Party, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions, the Restructuring Transactions, the Sale Transaction (if applicable), entry into the Exit Facilities, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, filing, or consummation of the RSA, the Disclosure Statement, the DIP Facilities, the Sale Transaction (if applicable), the Exit Facilities, the Plan, the Plan Supplement, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the RSA, the Disclosure Statement, the DIP Facilities, or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, other than claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes actual fraud, willful misconduct, or gross negligence, each solely to the extent as determined by a Final Order of a court of competent jurisdiction. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release any post-Effective Date obligations of any party or Entity under the Plan, any Restructuring Transaction, or any document, instrument, or agreement (including the Exit Facility Documents and any documents set forth in the Plan Supplement) executed to implement the Plan.

Article VIII.E of the Plan provides for the following Exculpation:

Effective as of the Effective Date, to the fullest extent permissible under applicable law and without affecting or limiting either the Debtor Release or the Third-Party Release, and except as otherwise specifically provided in the Plan, no Exculpated Party shall have or incur, and each Exculpated Party is hereby exculpated from, any Cause of Action for any Claim related to any act or omission based on the negotiation, execution, and implementation of any transactions approved by the Bankruptcy Court in the Chapter 11 Cases, including the RSA, the Disclosure Statement, the Plan, the Plan Supplement, the Confirmation Order, or any Restructuring Transaction, contract, instrument, release, or other agreement or document contemplated by the Plan or the reliance by any Exculpated Party on the Plan or the Confirmation Order, created or entered into in connection with the RSA, the Disclosure Statement, or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance of any securities pursuant to the Plan or the distribution of property under the Plan or any other related agreement, and the implementation of the Restructuring Transactions contemplated by the Plan, except for Claims related to any act or omission that is determined by Final Order to have constituted actual fraud, willful misconduct, or gross negligence, but in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan. The Exculpated Parties have, and upon completion of the Plan shall be deemed to have, participated in good faith and in compliance with the applicable laws with regard to the solicitation of votes on, and distribution of consideration pursuant to, the Plan and, therefore, are not, and on account of such distributions shall not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such

distributions made pursuant to the Plan. Notwithstanding the foregoing, the exculpation shall not release any obligation or liability of any Entity for any post-Effective Date obligation under the Plan or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan.

Article VIII.F of the Plan provides for the following Injunction:

Effective as of the Effective Date, pursuant to section 524(a) of the Bankruptcy Code, to the fullest extent permissible under applicable law, and except as otherwise expressly provided in the Plan or for obligations issued or required to be paid pursuant to the Plan or the Confirmation Order, all Entities who have held, hold, or may hold Claims or Interests that have been discharged pursuant to Article VIII.A of the Plan, released pursuant to the Debtor Release, the Third-Party Release, or another provision of the Plan (including the release of liens pursuant to Article VIII.B of the Plan), or are subject to exculpation pursuant to Article VIII.E of the Plan, are permanently enjoined, from and after the Effective Date, from taking any of the following actions against, as applicable, the Debtors, the Reorganized Debtors, the Exculpated Parties, or the Released Parties: (1) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests; (2) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against such Entities on account of or in connection with or with respect to any such Claims or Interests; (3) creating, perfecting, or enforcing any encumbrance of any kind against such Entities or the property or the estates of such Entities on account of or in connection with or with respect to any such Claims or Interests; (4) asserting any right of setoff, subrogation, or recoupment of any kind, against any obligation due from such Entities or against the property of such Entities on account of or in connection with or with respect to any such Claims or Interests unless such Holder has Filed a motion requesting the right to perform such setoff on or before the Effective Date, and notwithstanding an indication of a Claim or Interest or otherwise that such Holder asserts, has, or intends to preserve any right of setoff pursuant to applicable law or otherwise; and (5) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests released or settled pursuant to the Plan.

New York, New York
Dated: _____, 2019

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Counsel to the Debtors and Debtors in Possession

Exhibit 8

Notice of Assumption of Executory Contracts and Unexpired Leases

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
HOLLANDER SLEEP PRODUCTS, LLC, *et al.*,[1]	)	Case No. 19-11608 (MEW)
Debtors.	)	(Jointly Administered)

NOTICE OF (A) EXECUTORY CONTRACTS AND UNEXPIRED LEASES TO BE ASSUMED BY THE DEBTORS PURSUANT TO THE PLAN, (B) CURE AMOUNTS, IF ANY, AND (C) RELATED PROCEDURES IN CONNECTION THEREWITH

PLEASE TAKE NOTICE that on [●], 2019, the United States Bankruptcy Court for the Southern District of New York (the "Court") entered an order [Docket No. [●]] (the "Disclosure Statement Order"), (a) authorizing Hollander Sleep Products, LLC and its affiliated debtors and debtors in possession (collectively, the "Debtors"), to solicit acceptances for the *Debtors' First Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. [●]] (as modified, amended, or supplemented from time to time, the "Plan"); (b) approving the *Disclosure Statement for the Debtors' First Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. [●]] (as modified, amended, or supplemented from time to time, the "Disclosure Statement")[2] as containing "adequate information" pursuant to section 1125 of the Bankruptcy Code; (c) approving the solicitation materials and documents to be included in the solicitation packages; and (d) approving procedures for soliciting, receiving, and tabulating votes on the Plan and for filing objections to the Plan.

PLEASE TAKE FURTHER NOTICE that under the terms of Article V of the Plan, each Executory Contract and Unexpired Lease of a Debtor will be deemed automatically assumed pursuant to sections 365 and 1123 of the Bankruptcy Code on the Effective Date of the Plan, other than those that:

1. are identified on the Schedule of Rejected Executory Contracts and Unexpired Leases;

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors' service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

[2] Capitalized terms not otherwise defined herein shall have the same meanings set forth in the Plan or Disclosure Statement, as applicable.

2. previously expired or terminated pursuant to its own terms;

3. have been previously assumed or rejected by the Debtors pursuant to a Court order;

4. are the subject of a motion to reject Executory Contracts or Unexpired Leases that is pending on the Effective Date; or

5. are subject to a motion to reject an Executory Contract or Unexpired Lease pursuant to which the requested effective date of such rejection is after the Effective Date.

You are receiving this notice because you or one of your affiliates is a counterparty to an Executory Contract or Unexpired Lease[3] with one or more of the Debtors as listed on **Exhibit A**, attached hereto.

The Debtors intend to assume the Executory Contracts or Unexpired Leases listed on Exhibit A to which you are a counterparty. The Debtors have conducted a review of the Debtors' books and records and have determined that the amount to cure unpaid obligations under such contract or lease is as set forth in **Exhibit A** (the "Cure Claim"). Unless otherwise ordered by the Court, any objection by a counterparty to an Executory Contract or Unexpired Lease to a proposed assumption and assignment or related Cure Claim must be filed with the Court and served on **[●], 2019, at 4:00 p.m., prevailing Eastern Time**, the date that is 14 days from the date of this notice, and served so that it is actually received by each of the entities on the Master Service List (as defined in the case management order in these chapter 11 cases [Docket No. 184] and available on the Debtors' case website at www.omnimgt.com/hollander). If you fail to object in a timely manner to the proposed assumption or Cure Claim with respect to any Executory Contract or Unexpired Lease, you will be deemed to have assented to such assumption and Cure Claim.

PLEASE TAKE FURTHER NOTICE that in the event of a dispute regarding: (1) the amount of any Cure Claim, (2) the ability of the Reorganized Debtors or any assignee to provide "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code) under the Executory Contract or Unexpired Lease to be assumed, or (3) any other matter pertaining to assumption or the cure payments required by section 365(b)(1) of the Bankruptcy Code, the Cure Claim shall only be paid following the entry of a Final Order or Final Orders resolving the dispute and approving the assumption (and, if applicable, assignment).

PLEASE TAKE FURTHER NOTICE that the assumption of an Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall result in the full release and satisfaction of any Claims or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any Assumed Executory Contract or Unexpired Lease at any time before the date that the Debtors assume such Executory Contract or Unexpired Lease. Any Proofs of Claim Filed with respect to an Executory Contract or Unexpired Lease that has been assumed shall

3 This notice is being sent to counterparties to Executory Contracts and Unexpired Leases. This notice is not an admission by the Debtors that such contract or lease is executory or unexpired.

be deemed disallowed and expunged, without further notice to or action, order, or approval of the Court.

YOUR STATUS AS A COUNTERPARTY TO AN EXECUTORY CONTRACT AND/OR AN UNEXPIRED LEASE DOES NOT IN AND OF ITSELF ENTITLE YOU TO VOTE ON THE PLAN. Accordingly, this notice is being sent to you for informational purposes only.

PLEASE TAKE FURTHER NOTICE that if you would like to obtain a copy of the Disclosure Statement, the Plan, the Plan Supplement, or related documents, you should contact Omni Management Group, the Solicitation Agent retained by the Debtors in these chapter 11 cases, by: (a) calling the Debtors' restructuring hotline at (844) 212-9942 in the United States and Canada or, outside of the United States or Canada, by calling +1 (818) 906-8300; (b) visiting the Debtors' restructuring website at: www.omnimgt.com/hollander; and/or (c) writing to Hollander Sleep Products, LLC, Ballot Processing, c/o Omni Management Group, 5955 DeSoto Avenue, Suite #100, Woodland Hills, CA 91367. You may also obtain copies of any pleadings filed in these chapter 11 cases for a fee via PACER at: http://www.nysb.uscourts.gov.

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New York, New York
Dated: _____, 2019

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Counsel to the Debtors and Debtors in Possession

Exhibit A

Debtor Obligor	Counterparty Name	Description of Contract	Amount Required to Cure Default Thereunder, If Any

Exhibit 9

Notice of Rejection of Executory Contracts and Unexpired Leases

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
HOLLANDER SLEEP PRODUCTS, LLC, *et al.*,[1]	)	Case No. 19-11608 (MEW)
Debtors.	)	(Jointly Administered)

NOTICE REGARDING EXECUTORY CONTRACTS AND UNEXPIRED LEASES TO BE REJECTED PURSUANT TO THE PLAN

PLEASE TAKE NOTICE that on [●], 2019, the United States Bankruptcy Court for the Southern District of New York (the "Court") entered an order [Docket No. [●]] (the "Disclosure Statement Order"), (a) authorizing Hollander Sleep Products, LLC and its affiliated debtors and debtors in possession (collectively, the "Debtors"), to solicit acceptances for the *Debtors' First Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. [●]] (as modified, amended, or supplemented from time to time, the "Plan"); (b) approving the *Disclosure Statement for the Debtors' First Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. [●]] (as modified, amended, or supplemented from time to time, the "Disclosure Statement")[2] as containing "adequate information" pursuant to section 1125 of the Bankruptcy Code; (c) approving the solicitation materials and documents to be included in the solicitation packages; and (d) approving procedures for soliciting, receiving, and tabulating votes on the Plan and for filing objections to the Plan.

PLEASE TAKE FURTHER NOTICE that under the terms of Article V of the Plan, each Executory Contract and Unexpired Lease of a Debtor will be deemed automatically assumed pursuant to sections 365 and 1123 of the Bankruptcy Code on the Effective Date of the Plan, other than those that:

1. are identified on the Schedule of Rejected Executory Contracts and Unexpired Leases;

2. previously expired or terminated pursuant to its own terms;

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors' service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

[2] Capitalized terms not otherwise defined herein shall have the same meanings set forth in the Plan or Disclosure Statement, as applicable.

3. have been previously assumed or rejected by the Debtors pursuant to a Court order;

4. are the subject of a motion to reject Executory Contracts or Unexpired Leases that is pending on the Effective Date; or

5. are subject to a motion to reject an Executory Contract or Unexpired Lease pursuant to which the requested effective date of such rejection is after the Effective Date.

You are receiving this notice because you or one of your affiliates is a counterparty to an Executory Contract or an Unexpired Lease[3] with one or more of the Debtors as listed on **Exhibit A**, attached hereto.

The Debtors intend to reject the Executory Contracts or Unexpired Leases listed on Exhibit A to which you are a counterparty.

Objections. If you wish to object to the rejection of an Executory Contract or Unexpired Lease, an objection and notice setting the objection for hearing must be filed with the Court and served by **[●], 2019, at 4:00 p.m., prevailing Eastern Time**, the date that is 14 days from the date of this notice, and served so that it is actually received by each of the entities on the Master Service List (as defined in the case management order in these chapter 11 cases [Docket No. 184] and available on the Debtors' case website at www.omnimgt.com/hollander).

Proofs of Claim. Additionally, entry of the Confirmation Order will constitute a Court order approving the rejection of your Executory Contracts or Unexpired Leases. As set forth in the Plan, such rejection will be effective on the Effective Date of the Plan. As a result of the Executory Contracts or Unexpired Leases to which you are a counterparty being rejected, you may be entitled to an unsecured claim for which a Proof of Claim must be filed. After entry of the Confirmation Order, you will receive a separate notice of the Effective Date, which notice will contain a proof of claim bar date for rejected contracts. Pursuant to the Plan, if the rejection of your Executory Contracts or Unexpired Leases gives rise to a Claim by you, unless otherwise provided by an order of the Court, any Proofs of Claim based on the rejection of the Debtors' Executory Contracts or Unexpired Leases must be filed with the Court within 30 days after the later of (1) the effective date of such rejection, or (2) the Effective Date.

Any Claims arising from the rejection of an Executory Contract or Unexpired Lease not Filed with the Court within such time will be automatically disallowed, forever barred from assertion, and shall not be enforceable against the Debtors, the Reorganized Debtors, the Estates, or their property of any of the foregoing parties without the need for any objection by the Reorganized Debtors or further notice to, or action, order, or approval of the Court or any other Entity, and any Claim arising out of the rejection of the Executory Contract or Unexpired Lease shall be deemed fully satisfied, released, and discharged, notwithstanding anything in the Schedules or a Proof of Claim to the contrary. Claims arising from the rejection of the Debtors' Executory Contracts or Unexpired Leases shall be classified as General Unsecured Claims and shall be treated in accordance with Article III.B of the Plan and

[3] This notice is being sent to counterparties to Executory Contracts and Unexpired Leases. This notice is not an admission by the Debtors that such contract or lease is executory or unexpired.

may be objected to in accordance with the provisions of Article VII of the Plan and the applicable provisions of the Bankruptcy Code and Bankruptcy Rules.

YOUR STATUS AS A COUNTERPARTY TO AN EXECUTORY CONTRACT AND/OR AN UNEXPIRED LEASE DOES NOT IN AND OF ITSELF ENTITLE YOU TO VOTE ON THE PLAN. Accordingly, this notice is being sent to you for informational purposes only.

PLEASE TAKE FURTHER NOTICE that if you would like to obtain a copy of the Disclosure Statement, the Plan, the Plan Supplement, or related documents, you should contact Omni Management Group, the Solicitation Agent retained by the Debtors in these chapter 11 cases, by: (a) calling the Debtors' restructuring hotline at (844) 212-9942 in the United States and Canada or, outside of the United States or Canada, by calling +1 (818) 906-8300; (b) visiting the Debtors' restructuring website at: www.omnimgt.com/hollander; and/or (c) writing to Hollander Sleep Products, LLC, Ballot Processing, c/o Omni Management Group, 5955 DeSoto Avenue, Suite #100, Woodland Hills, CA 91367. You may also obtain copies of any pleadings filed in these chapter 11 cases for a fee via PACER at: http://www.nysb.uscourts.gov.

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New York, New York
Dated: _____, 2019

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Counsel to the Debtors and Debtors in Possession

Exhibit A

Debtor Obligor	Counterparty Name	Description of Contract

Exhibit 10

Committee Support Letter

TO: ALL UNSECURED CREDITORS OF HOLLANDER SLEEP PRODUCTS, LLC, ET AL.

Re: Hollander Sleep Products, LLC, *et al.*[1]
U.S. Bankruptcy Court, Southern District of New York, Case No. 19-11608 (MEW)

The Official Committee of Unsecured Creditors (the "Committee"), appointed by the United States Trustee in the chapter 11 cases of Hollander Sleep Products, LLC, *et al.* ("Hollander" or the "Debtors"), **recommends that all general unsecured creditors vote to accept the *Debtors' First Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code (*the "Plan")[2] in accordance with the instructions set forth in the ballot being delivered to you by the Debtors. The Plan is the result of a negotiated resolution by and among the Debtors, the Committee, certain holders of secured claims under the Debtors' Term Loan Credit Agreement and the Sponsor.** The Committee was formed under the Bankruptcy Code to represent the interests of all general unsecured creditors. The Committee urges you to carefully review this letter, the enclosed Plan, and Disclosure Statement, and to vote in favor of the Plan by returning your ballot no later than **August 28, 2019**, at 4:00 p.m., prevailing Eastern Time.

The Plan provides for either a sale of the Debtors' assets (a "Sale Transaction") or a reorganization under which the secured claims held by the Term Loan Lenders will be converted to equity of the reorganized Debtors (a "Reorganization Transaction").[3] The Plan classifies General Unsecured Claims under Class 5. Under the Plan, each Holder of an Allowed Class 5 General Unsecured Claim will receive a proportionate share of (i) a fund in an amount up to $650,000 (the "Last Out Loans Turnover Amount"), and (ii) proceeds of any Commercial Tort Claims (if any) that may be pursued on behalf of General Unsecured Creditors.

If there is a Sale Transaction, holders of allowed Class 5 General Unsecured Claims will also receive a proportionate share of (iii) no less than $600,000 (the "GUC Sale Transaction Recovery Pool") and (iv) any excess cash after payment of senior creditors and other plan allocated funding (the "Excess Distributable Cash").

In the alternative, under a Reorganization Transaction, holders of allowed Class 5 Claims will also either receive (iv) a proportionate share of a $500,000 fund (the "GUC Reorganization Recovery Pool") or (v) beneficial trade terms from the Reorganized Debtors including a 1% distribution on account of their claims (the "Vendor Support Initiative"). In all events, under a Reorganization Transaction, holders of allowed General Unsecured Claims will receive a

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1 The debtors in these chapter 11 cases, along with the last four digits of each debtor's federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the debtors' service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

2 Defined terms are set forth in the Plan.

3 This is a general summary of the Plan terms only. Please refer to the Plan for the complete treatment of General Unsecured Creditor Claims.

proportionate share of any "Future Sale Consideration" in the event the Reorganized Debtors are sold within 24 months of exiting bankruptcy.

Importantly, under the Plan, the Debtors and the Reorganized Debtors waive all Avoidance Actions that otherwise may be asserted against, among others, holders of General Unsecured Claims.

Absent confirmation of the Plan, these cases may be converted to liquidation under chapter 7, in which case holders of unsecured claims would most likely not receive any recovery and a chapter 7 trustee may determine to pursue Avoidance Actions against holders of Claims, including, General Unsecured Claims. The Committee believes, as do the Debtors, that the Plan provides the best possible recoveries to holders of General Unsecured Claims under the circumstances, and that any alternative would result in unnecessary delay, uncertainty, and expense as well as a materially diminished or zero recovery. The recovery under the Plan is the result of efforts by the Committee to negotiate a material increase in the distributions for holders of General Unsecured Claims.

THE COMMITTEE THEREFORE RECOMMENDS THAT YOU VOTE TO "ACCEPT" THE PLAN AND RETURN YOUR BALLOT AS SPECIFIED IN THE VOTING INSTRUCTIONS YOU RECEIVED.

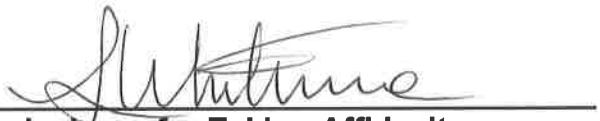
July __, 2019

THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF HOLLANDER SLEEP PRODUCTS, LLC, ET AL.

/s/ R. Stan Holland
Hollander NC IA LLC
By: R. Stan Holland

Solely in his capacity as the Chair of the Official Committee of Unsecured Creditors of Hollander Sleep Products, LLC, et al., and not in any other capacity

THIS IS EXHIBIT "C" REFERRED TO IN THE AFFIDAVIT OF EVAN BARZ SWORN ON AUGUST 2, 2019.



Commissioner for Taking Affidavits

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Counsel to the Debtors and Debtors in Possession

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
HOLLANDER SLEEP PRODUCTS, LLC, *et al.*,[1]	)	Case No. 19-11608 (MEW)
Debtors.	)	(Jointly Administered)

NOTICE OF DEBTORS' MOTION FOR ENTRY OF AN ORDER (A) APPROVING THE DEBTORS' KEY EMPLOYEE RETENTION PLANS AND (B) GRANTING RELATED RELIEF

PLEASE TAKE NOTICE that a hearing on the *Debtors' Motion for Entry of an Order (A) Approving the Debtors' Key Employee Retention Plans and (B) Granting Related Relief* (the "Motion") will be held before the Michael E. Wiles, United States Bankruptcy Judge, United States Bankruptcy Court for the Southern District of New York (the "Court"), One Bowling Green, Courtroom No. 617, New York, New York 10004-1408, on **August 1, 2019, at 11:00 a.m., prevailing Eastern Time**.

PLEASE TAKE FURTHER NOTICE that any responses or objections to the relief requested in the Motion shall: (a) be in writing; (b) conform to the Federal Rules of Bankruptcy

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors' service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

Procedure, the Local Bankruptcy Rules for the Southern District of New York, all General Orders applicable to chapter 11 cases in the United States Bankruptcy Court for the Southern District of New York, and the *Order (A) Establishing Certain Notice, Case Management, and Administrative Procedures and (B) Granting Related Relief* [Docket No. 184] (the "Case Management Order") approved by the Court; (c) be filed electronically with the Court on the docket of *In re Hollander Sleep Products, LLC*, Case 19-11608 (MEW) by registered users of the Court's electronic filing system and in accordance with the General Order M-399 (which is available on the Court's website at http://www.nysb.uscourts.gov); and (d) be served so as to be actually received by **July 25, 2019, at 4:00 p.m., prevailing Eastern Time**, by (i) the entities on the Master Service List (as defined in the Case Management Order and available on the Debtors' case website at https://omnimgt.com/hollander) and (ii) any person or entity with a particularized interest in the subject matter of the Motion.

PLEASE TAKE FURTHER NOTICE that only those responses that are timely filed, served, and received will be considered at the hearing. Failure to file a timely objection may result in entry of a final order granting the Motion as requested by the Debtors.

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New York, New York
Dated: July 3, 2019

/s/ Joshua A. Sussberg, P.C.

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
HOLLANDER SLEEP PRODUCTS, LLC, *et al.*,[1]	)	Case No. 19-11608 (MEW)
Debtors.	)	(Jointly Administered)

DEBTORS' MOTION FOR ENTRY OF AN ORDER (A) APPROVING THE DEBTORS' KEY EMPLOYEE RETENTION PLANS AND (B) GRANTING RELATED RELIEF

The above-captioned debtors and debtors in possession (collectively, the "Debtors") respectfully state as follows in support of this motion:

Relief Requested

1. By this motion, the Debtors seek entry of an order, substantially in the form attached hereto as **Exhibit A**, (a) approving the Debtors' key employee retention plan (the "Hollander Retention Plan"), (b) approving retention payments related to the closure of the Debtors' Thomson, Georgia plant (the "Georgia Retention Plan," and together with the Hollander Retention Plan, the "Retention Plans"), and (c) granting related relief. In support of this motion,

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors' service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

the Debtors submit the declaration of Marc Pfefferle (the "Pfefferle Declaration"), Chief Executive Officer of Hollander Sleep Products, LLC, a copy of which is attached hereto as **Exhibit B**.

Introduction

2. The Debtors are undergoing a complex operational restructuring requiring significant increased workloads and stresses on the part of key employees. These employees perform critical oversight of the Debtors' manufacturing operations and plant management services as well as provide critical accounting, asset management, business administration and development, human resources, information technology, marketing and sales, and sourcing and logistics work. Certain of this personnel has also undertaken additional tasks beyond the scope of their usual job functions necessary to administer these chapter 11 cases, such as preparing various reports required to administer these chapter 11 cases and provide updates to the Official Committee of Unsecured Creditors (the "UCC") under the Debtors' various first day relief. The key employees are meeting these obligations while the Debtors are running a marketing process for their assets, which invariably has led to additional concerns about job security for the key employees. Moreover, as part of these chapter 11 cases, the Debtors are also commencing a process to right-size their operating model to improve financial performance and maintain value for all stakeholders. As part of these efforts, the Debtors have announced the closing of their Thomson, Georgia plant and the Debtors will need key employees to remain with the Debtors to ensure a smooth and efficient closure of the facility.

3. Maintaining the morale, support, and focus of the Debtors' employees is absolutely essential to fostering an environment where the Debtors' operations can succeed in a safe, efficient, and reliable manner while the Debtors work to reorganize their business to maximize the value of their estates. Absent the relief requested, the Debtors face the real risk of losing key employees at

a critical time in their restructuring efforts. Indeed, since the Petition Date, two key employees have resigned in the Debtors' various management and operational departments.

4. By this motion, the Debtors seek approval of the Retention Plans to retain key personnel as well as operational employees of the Thomson, Georgia plant. The Retention Plans are necessary for the Debtors to maintain stability in their operations and maintain enterprise value and is consistent with retention plans in similarly sized chapter 11 cases. The Retention Plans provide for payment of awards to 74 of the Debtors' non-insider employees (each a "Participant," and, collectively, the "Participants"), including 47 Participants under the Hollander Retention Plan (the "Hollander Participants") and 28 Participants[2] under the Georgia Retention Plan (the "Georgia Participants"). No Participant is an officer or director (as such terms are normally understood), but instead play vital rank-and-file functions for the Debtors' business.[3] The departure of any of the Participants during these chapter 11 cases would disrupt ongoing operations at an important phase in the Debtors' restructuring process, including their process to wind down operations at their Georgia plant. As a result, the Debtors believe implementation of the Retention Plans is necessary and appropriate in an attempt to avoid costly disruptions.

5. As described in detail herein, the Debtors' sized the awards to each Participant conservatively. The Retention Plans contemplate retention payments made in one installment to each of the Participants with a total approximate cost of $559,000, with an average award of approximately $7,600 per Participant. No single Hollander Participant is eligible for an award totaling more than $20,000, with $10,000 as the most common award under the Hollander

[2] One Participant is included in both the Hollander Retention Plan and the Georgia Retention Plan. If the Georgia Retention Plan is approved, such Participant would be removed from the Hollander Retention Plan.

[3] As discussed more fully herein, the Debtors respectfully submit that no Participant is an "insider," as that term is defined in section 101(31) of the Bankruptcy Code.

Retention Plan. The awards under the Georgia Retention Plan are less substantial in both total amount and individual awards by comparison.

6. Before filing this motion, the Debtors and their advisors have distributed information regarding the cost and scope of the proposed Retention Plans with their key economic stakeholder groups and the office of the United States Trustee for Region 2 (the "U.S. Trustee") and solicited feedback. The Debtors will continue to engage with parties in interest, including the U.S. Trustee, in advance of the hearing on the Retention Plans. The Debtors are hopeful that they will be able to build further consensus around the Retention Plans as cost-effective plans that will improve recoveries for all stakeholders by ensuring that the Debtors will be able to maintain their business operations in the ordinary course during the pendency of these cases and the wind down of the Thomson, Georgia plant efficiently.

7. The Debtors respectfully submit that the Retention Plans comply with the applicable provisions of the Bankruptcy Code, are justified by the facts and circumstances of these cases, and are within the Debtors' sound and reasonable business judgment. For these reasons and the reasons set forth below, the Debtors respectfully request the Court enter an order authorizing the Debtors to implement the Retention Plans.

Jurisdiction and Venue

8. The United States Bankruptcy Court for the Southern District of New York (the "Court") has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the Southern District of New York*, dated January 31, 2012. The Debtors confirm their consent, pursuant to Rule 7008 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), to the entry of a final order by the Court in connection with this motion to the extent that it is later determined

that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

9. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

10. The bases for the relief requested herein are sections 105(a), 363(b), and 503(c) of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the "Bankruptcy Code"), and Bankruptcy Rule 6004.

The Key Employee Retention Plans

I. The Participants.

11. Of the Debtors' approximately 2,370 current employees, the Debtors have designated 74 key employees whose work is critical to support the Debtors' day-to-day operations and will be needed to ensure a successful and timely reorganization.[4] As set forth in the Pfefferle Declaration, certain of the Participants may be motivated to leave the Debtors during the pendency of these chapter 11 cases due to, among other things, the uncertainty created by the Debtors' ongoing reorganization efforts and expected employee reductions within the next months. The Retention Plans are necessary to encourage the Debtors' key non-insider employees to remain with the Debtors through the closure of the Thomson, Georgia plant and the pendency of these chapter 11 cases.

12. The Hollander Participants perform a variety of important business functions for the Debtors—including accounting, cash management, information technology, human resources, merchandising, sales, sourcing and logistics, plant management, and other critical activities—that are vital to the Debtors' ability to preserve and enhance stakeholder value. The Debtors selected

[4] The Debtors have provided the list of proposed Participants, together with their job title, base salary, and proposed payments, to their key stakeholders, including counsel to the UCC and the U.S. Trustee, before the filing of this motion. The Debtors will provide the list to the Court upon request.

the 47 Hollander Participants based on their status as critical, hard-to-replace employees. Many of the Hollander Participants have developed valuable institutional and technical knowledge regarding the Debtors' business operations that would be difficult and expensive to replace on an expedited basis, and could very well slow the Debtors' ability to restructure on a timely basis. Moreover, some of the Hollander Participants have provided indispensable support to the Debtors' advisors in meeting the additional operational demands imposed by chapter 11. Preserving this institutional and technical knowledge is crucial to the successful completion and efficient administration of the Debtors' chapter 11 cases.

13. The Georgia Participants perform critical operational tasks at the Debtors' Thomson, Georgia plant ranging from maintenance and inventory supervision to production management and supervision, as well as other critical operational activities that are vital to maintain stability in the Debtors' operations at their Georgia plant through the efficient wind down of the facility. Similar to the Hollander Participants, the Debtors selected the 28 Georgia Participants based on their status as critical, hard-to-replace employees. The Georgia Participants have developed technical knowledge and skills necessary to the operations of the Georgia facility that would be extremely difficult and expensive to replace at this critical juncture considering the short, several month period of the plant wind down. The Georgia Participants are vital to maintaining efficient operations at the Georgia plant through the closing of the facility. Accordingly, the Debtors believe that the Georgia Retention Plan is necessary to incentivize the Georgia Participants to remain with the Debtors to ensure a smooth and efficient closure of the facility and to maximize value for all stakeholders.

14. Given the extraordinary demands placed upon the Participants during these chapter 11 cases, the Debtors believe that it is appropriate to pay a retention bonus.

The importance of the Participants to the Debtors' business cannot be understated. Unless the Debtors provide compensation designed to motivate employees to remain with the Debtors throughout the chapter 11 process, employee attrition could result in costly disruptions to the Debtors' operations. The Debtors respectfully submit that the Retention Plans will increase the likelihood that these key employees are properly incentivized to remain with the Debtors during the restructuring process and the closure of the Georgia plant, thereby preserving value for the Debtors, their estates, their creditors, and other parties in interest.

15. Although certain of the Participants have titles incorporating the word "director," no Participant is an "insider" of the Debtors. Specifically, the Participants do not include any employee that (a) reports directly to the Debtors' Board of Directors, (b) is appointed directly by the Debtors' Board of Directors, (c) exercises managerial control over the Debtors' operations as a whole, (d) controls the Debtors' company policy, or (e) directs the Debtors' overall corporate governance. In addition, each of the Participants that has a director title reports to officers and executives below the chief executive officer of the Debtors.

II. The Retention Plans.

16. Due to the importance of the Participants to the success of the Debtors' go-forward business, including the smooth and efficient closure of the Georgia facility, the Debtors, together with their advisors, worked to develop retention plans designed to offer fair compensation that would motivate the Participants to remain with the Debtors through the duration of their reorganization and the wind down of their Georgia plant. As noted above, the proposed Retention Plans will not exceed $559,000 in the aggregate, and the potential payments range from approximately 2.40 to 14.87 percent of base salary for each of the Participants.

17. The key terms of the Hollander Retention Plan are as follow:[5]

(a) Hollander Participants: Limited to 47 non-insider key employees who will remain with the go-forward business, or approximately 1.98 percent of the Debtors' current workforce. By the Hollander Retention Plan, the Debtors reserve the right, in their reasonable business judgment, to add replacement participants should a current Hollander Participant resign or be fired for cause upon notice to the U.S. Trustee and counsel to the UCC. The Hollander Participants represent critical employees performing, among other things, accounting, cash management, information technology, human resources, merchandising, sales, sourcing and logistics, plant management, and other critical functions for the Debtors.

(b) Payment Prerequisites: Hollander Participants will receive and keep, subject to any applicable tax or other withholding obligations, 100% of the payout under the Hollander Retention Plan if they remain employed with the Debtors at least three months after either (i) the effective date of a chapter 11 plan or (ii) the closing of a sale of all or substantially all of the Debtors' assets, as applicable.

(c) Payout Frequency: The Hollander Retention Plan will be paid in one installment upon (i) the effective date of a chapter 11 plan or (ii) the closing of a sale of all or substantially all of the Debtors' assets, as applicable.

18. The Key Terms of the Georgia Retention Plan are as follows:

(a) Georgia Participants: Limited to 28 non-insider key employees who will remain with Debtors through the closing of the Georgia plant, or approximately 1.18 percent of the Debtors' current workforce. By the Georgia Retention Plan, the Debtors reserve the right, in their reasonable business judgment, to add replacement participants should a current Georgia Participant resign or be terminated for cause upon notice to the U.S. Trustee and counsel to the UCC. The Georgia Participants represent critical employees performing operational activities including, among other things, maintenance, inventory supervision, and production and shipping management.

(b) Payment Prerequisites: Georgia Participants will receive and keep, subject to any applicable tax or other withholding obligations, 100% of the payout under the Georgia Retention Plan if they remain with the Debtors through their termination by the Debtors, *provided* that the Georgia Participants

[5] The summaries of the Retention Plans contained in this motion are provided for purposes of convenience only. In the event of any inconsistency between the summary contained herein and the terms and provisions of the Retention Plans, the terms of the Retention Plans shall control unless otherwise set forth herein, *provided* that the terms relating to the total amount of the Retention Plans and the timing of payments provided in this motion shall control.

shall not receive such payout if they voluntarily leave or are terminated for cause.

(c) Payout Frequency: The Georgia Retention Plan will be paid in one installment upon their termination by the Debtors, *provided* that such termination is not for cause.

III. Reasonableness of the Retention Plans.

19. As set forth in the Pfefferle Declaration, the Debtors and their advisors reviewed the Debtors' current needs, their employees' current compensation compared to market rates, and common features of retention plans. The Debtors then designed the Retention plans keeping in mind their goals of maximizing the value of their estates for the benefit of all interested parties and ensuring that their operations are conducted in an effective and stable manner through emergence from chapter 11. In particular, the Debtors worked closely with their advisors to ensure that the incentives for the Participants were appropriate and within the Debtors' postpetition financing budget. The Debtors believe that both the average award and total cost of the proposed Retention Plans fall well below the average market comparable.

20. Accordingly, the Debtors submit that the award opportunities in the Retention Plans are more than justified under the circumstances of these chapter 11 cases. Further, the total aggregate cost of $559,000 under the Retention Plans is reasonable in absolute terms when compared to the aggregate costs of key employee plans approved in other chapter 11 cases.

Basis for Relief

21. As discussed more fully herein, the Debtors submit that the Retention Plans are a proper exercise of the Debtors' business judgment and is in the best interests of the Debtors, pursuant to both sections 503(c)(3) and 363(b) of the Bankruptcy Code. Further, the Debtors respectfully submit that section 503(c)(1) of the Bankruptcy Code is inapplicable here because no

"insiders" (as that term is defined by section 101(31) of the Bankruptcy Code) will participate in the proposed Retention Plans.

I. The Retention Plans Are a Sound Exercise of the Debtors' Business Judgment.

22. The Debtors' implementation of the Retention Plans is a sound exercise of their business judgment. Section 363(b) of the Bankruptcy Code provides that a debtor "after notice and a hearing may use, sell or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b)(1). To approve the use of estate property under section 363(b)(1) of the Bankruptcy Code, a debtor must show that the decision to use the property outside of the ordinary course of business was based on the debtor's business judgment. *See, e.g.*, *In re Chateaugay Corp.*, 973 F.2d 141, 143 (2d Cir. 1992) (holding that a judge determining a 363(b) application must find a good business reason to grant such application); *see also In re Lionel Corp.*, 722 F.2d 1063, 1070 (2d Cir. 1983) (requiring "some articulated business justification" to approve the use, sale, or lease of property outside the ordinary course of business); *In re Borders Grp., Inc.*, 453 B.R. 459, 473 (Bankr. S.D.N.Y. 2011) ("In approving a transaction conducted pursuant to section 363(b)(1), courts consider whether the debtor exercised sound business judgment."); *In re Glob. Crossing Ltd.*, 295 B.R. 726, 743 (Bankr. S.D.N.Y. 2003) (noting that the standard for determining a section 363(b) motion is "a good business reason"); *In re Ionosphere Clubs, Inc.*, 100 B.R. 670, 675 (Bankr. S.D.N.Y. 1989) (same).

23. Once a debtor articulates a valid business justification, the law vests the debtor's decision to use property outside of the ordinary course of business with a strong presumption that "in making a business decision the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the action was taken in the best interests of the company." *In re Integrated Res., Inc.*, 147 B.R. 650, 656 (S.D.N.Y. 1992), *appeal dismissed*, 3 F.3d 49 (2d Cir. 1993); *see also In re Johns-Manville Corp.*, 60 B.R. 612, 615–16 (Bankr. S.D.N.Y. 1986)

(noting that "a presumption of reasonableness attaches to a debtor's management decisions" and that "[w]here the debtor articulates a reasonable basis for its business decisions (as distinct from a decision made arbitrarily or capriciously), courts will generally not entertain objections to the debtor's conduct"). Thus, if a debtor's actions satisfy the business judgment rule, then the transaction in question should be approved under section 363(b)(1) of the Bankruptcy Code.

24. The implementation of the Retention Plans is a proper exercise of the Debtors' business judgment and is in the best interests of their estates and of all stakeholders in these chapter 11 cases. The Participants—along with their skills, knowledge, and hard work—are critical to ensuring that the Debtors continue to maximize stakeholder value in the current economic environment, including through the smooth and efficient closure of the Thomson, Georgia facility. The Hollander Participants are familiar with the Debtors' business and have the experience and knowledge necessary to ensure the Debtors' continued operations during the chapter 11 cases. Indeed, the Hollander Participants have already played a vital role in the Debtors' soft landing into chapter 11. The Debtors cannot easily replace the Hollander Participants without adversely affecting the Debtors' operating efficiency and distracting management from the Debtors' restructuring efforts. Similarly, the Georgia Participants have developed technical knowledge regarding the business operations of the Georgia facility and are therefore vital to the efficient operations of such facility through its wind down. Accordingly, hiring and training replacements for the Georgia Participants within the several month wind down period would be difficult and costly at best and impossible at worst thereby impacting customer service levels and harming value for all stakeholders. For these reasons, the Debtors' decision to implement the Retention Plans is a valid exercise of business judgment and in the best interest of the Debtors, their estates, and all parties in interest in these chapter 11 cases.

II. The Retention Plans Are Justified by the Facts and Circumstances of these Chapter 11 Cases.

25. Section 503(c)(3) of the Bankruptcy Code permits payments to a debtor's employees outside the ordinary course of business if such payments are justified by "the facts and circumstances of the case." 11 U.S.C. § 503(c)(3). Importantly, section 503(c)(3)'s "facts and circumstances" justification test "creates a standard no different that the business judgment standard under section 363(b) of the Bankruptcy Code." *In re Velo Holdings, Inc.*, 472 B.R. 201, 209 (Bankr. S.D.N.Y. 2012); *see also In re Borders Grp. Inc.*, 453 B.R. at 473–74 (evaluating the debtors' KERP under the business judgment rule under both section 363(b) and section 503(c)(3) of the Bankruptcy Code); *In re Dana Corp.*, 358 B.R. 567, 576–77 (Bankr. S.D.N.Y. 2006) (describing six factors that courts may consider when determining whether the structure of a compensation proposal meets the "sound business judgment test" in accordance with section 503(c)(3) of the Bankruptcy Code). Accordingly, whether a retention plan is justified by the facts and circumstances of the case and the analysis of whether the approval of such plan is a sound exercise of the debtor's business judgment are the same.

26. In the context of approving compensation plans, courts in the Second Circuit have considered the following factors identified in *In re Dana Corp.* when determining if a compensation proposal and the process for developing it meet the "sound business judgment" test:

- Is there a reasonable relationship between the plan proposed and the results to be obtained, i.e., will the key employee stay for as long as it takes for the debtor to reorganize or market its assets?
- Is the cost of the plan reasonable in the context of the debtor's assets, liabilities, and earning potential?
- Is the scope of the plan fair and reasonable, does it apply to all employees, or does it discriminate unfairly?
- Is the plan or proposal consistent with industry standards?

- What were the due diligence efforts of the debtor in investigating the need for a plan, analyzing which key employees need to be incentivized, what is available, and what is generally applicable in a particular industry?

- Did the debtor receive independent counsel in performing due diligence and in creating and authorizing the incentive compensation?

In re Dana Corp., 358 B.R. at 576–77; *see also In re Residential Capital, LLC*, 491 B.R. 73, 85–86 (Bankr. S.D.N.Y. 2013) (applying the *Dana* factors to the debtors' retention plan for non-insiders and approving the plan as an exercise of sound business judgment); *In re Borders Grp. Inc.*, 453 B.R. at 473–77 (same). No single factor is dispositive, and the Court has discretion to weigh each of these factors based on the specific facts and circumstances before it. *See, e.g.*, *In re AMR Corp.*, 490 B.R. 158, 166 (Bankr. S.D.N.Y. 2013) ("Section 503(c)(3) gives the court discretion as to bonus and incentive plans, which are not primarily motivated by retention of or in the nature of severance."). Even the total absence of a factor may be permissible, so long as the interests of the Debtors are sufficiently protected. *See In re Borders Grp., Inc.*, 453 B.R. at 477 (finding that the lack of independent counsel was "not fatal" where the presence of other factors ensured "that the [d]ebtors' interests were sufficiently protected"); *In re Glob. Aviation Holdings Inc.*, 478 B.R. 142, 154 (Bankr. E.D.N.Y. 2012) (noting that "the relatively modest size of the proposed bonus payouts made the retention of independent legal counsel economically inefficient"). The Debtors respectfully submit that the proposed Retention Plans satisfy the standard set forth above, each as discussed more fully below.

27. First, there is a reasonable relationship between the proposed Retention Plans and Debtors' need to retain important employees. The Debtors, in consultation with their advisors, designed the Hollander Retention Plan to motivate and reward the Hollander Participants for their significant efforts given the significantly increased demands placed upon them in connection with the chapter 11 process and the uncertainty and stresses presented by an ongoing reorganization

process. The Hollander Retention Plan will ensure that the Debtors have the appropriate staff on hand to facilitate a timely exit from these chapter 11 cases, thereby maximizing value for the Debtors' estates. Additionally, the Georgia Retention Plan is designed to encourage Georgia Participants to remain with the Debtors through the efficient wind down of the Georgia plant. A failure to retain the Participants would cause significant customer service issues as it would be impractical for the Debtors to hire and train replacement employees within the short several month plant wind down period, which would, in turn, hinder their operations and reorganization to the detriment of all parties in interest.

28. Second, the cost of the proposed Retention Plans is reasonable given the Debtors' assets and liabilities. The Debtors believe that the costs associated with the Retention Plans are below the range of market practice as compared to plans proposed and approved at similarly situated companies. Accordingly, the costs are reasonable and well-justified given the size of the Debtors' business and the value that the participants bring to the estate.

29. Third, the scope of the Retention Plans is fair and reasonable. As noted herein, the Debtors undertook a careful selection process and received input from their advisors in determining the specific employees that should be eligible. In fact, the 74 Participants represent a small portion of the Debtors' total employee base of approximately 2,370 people. Retaining employees who serve key managerial or operational functions allows the Debtors to leverage employees who are essential to the Debtors' chapter 11 efforts and continued efficient operations. As set forth in the Pfefferle Declaration, the Debtors took an objective view and did not discriminate on any basis in deciding which employees needed to be incentivized to remain with the Debtors for the duration of the chapter 11 cases.

30. Fourth, the Debtors submit that the Retention Plans are consistent with industry practice. As outlined in the Pfefferle Declaration, the Retention Plans are more cost-effective than retention plans in other, similar cases, both in terms of total costs and cost per participant.

31. Fifth, the Debtors performed their due diligence in determining the need for the Retention Plans and in determining which employees would be eligible to ensure that the plan was consistent with, if not more cost-effective than, similar plans in their industry. In developing the Retention Plans, the Debtors consulted with department heads to determine who was most critical and most at risk to leave or even actively searching for new work. The Debtors then considered the work performed by those employees to determine if that employee could be easily replaced given the employee's experience and expertise with the Debtors' business operations.

32. Sixth, the Debtors relied in part on the independent review of Carl Marks in developing the Retention Plans. The Debtors' decision to rely on their current advisors to develop and evaluate the Retention Plans, and to not separately retain an outside consultant, was appropriate. Given the conservative size of the proposed payouts, engaging additional advisors would have made the Retention Plans economically inefficient. Moreover, the Debtors have actively shared information regarding each of the Participants and the proposed awards with their key creditor constituencies and the office of the U.S. Trustee. Because of this open engagement, the Debtors believe that the interests of their estates have been adequately protected and that the Retention Plans are justified by the facts and circumstances of these chapter 11 cases.

33. Accordingly, the Debtors respectfully submit that the Retention Plans satisfy the "business judgment standard" identified in *In re Dana Corp*. And, indeed, courts in this district have routinely granted relief well in excess of that requested herein. *See, e.g., In re Windstream Holdings, Inc.*, No. 19-22312 (RDD) (Bankr. S.D.N.Y. May 15, 2019) (approving a KERP with

approximate payout of $5.0 million); *In re Nine West Holdings, Inc.*, No. 18-40947 (SCC) (Bankr. S.D.N.Y. Sept. 14, 2018) (approving a KERP for 51 of the debtors' non-insider employees with a total approximate cost of $655,000); *In re Westinghouse Electric Co. LLC*, No. 17-10751 (MEW) (Bankr. S.D.N.Y. Sept. 12, 2017) (approving a KERP for 210 of the debtors' non-insider employees with total cost of $13,831,879); *In re Aéropostale, Inc.*, No. 16-11275 (SHL) (Bankr. S.D.N.Y. July 1, 2016) (approving a KERP for 38 employees with approximate payout of $1.4 million); *In re SunEdison Inc.*, No. 16-10992 (SMB) (Bankr. S.D.N.Y. July 29, 2016) (approving a KERP for 126 employees with an estimated payout of $7.0 million).

III. Section 503(c)(1) of the Bankruptcy Code Is Inapplicable to the Retention Plans.

34. Because none of the Participants are "insiders" as that term is defined by the Bankruptcy Code, section 503(c)(1) is inapplicable. Section 503(c)(1) of the Bankruptcy Code restricts payments made to "insiders of the debtor for the purpose of inducing such person to remain with the debtor's business"—i.e., those insider plans that are essentially "pay to stay" plans. 11 U.S.C. § 503(c)(1). By its terms, section 503(c)(1) of the Bankruptcy Code does not apply where—as is the case here—participants in a retention-based plan are not insiders.

35. Section 101(31) of the Bankruptcy Code provides that where a debtor is a corporation, insiders include any "(i) director of the debtor; (ii) officer of the debtor; (iii) person in control of the debtor . . . or (iv) relative of a . . . director, officer or person in control of the debtor." 11 U.S.C. § 101(31)(B). Courts have also concluded that an employee may be an "insider" if such employee has "at least a controlling interest in the debtor or . . . exercise[s] sufficient authority over the debtor so as to unqualifiably dictate corporate policy and the disposition of corporate assets." *In re Velo Holdings, Inc.*, 472 B.R. at 208. It is well-established that an employee's job title, alone, does not make such employee an "insider" as defined by the Bankruptcy Code. *See In re Borders Grp. Inc.*, 453 B.R. at 469 (noting that "[c]ompanies often

give employees the title 'director' or 'director- level,' but do not give them decision-making authority akin to an executive" and concluding that certain "director level" employees in that case were not insiders).

36. Although certain Participants hold titles including the term "director," as set forth in the Pfefferle Declaration, none of the Participants are "insiders," as such term is defined by section 101(31) of the Bankruptcy Code. None of the Participants have discretionary control over substantial budgetary amounts or significant control with respect to the Debtors' corporate policies. Furthermore, none of the Participants are an executive of the Debtors, a member of the Debtors' board of directors, or an active participant in the Debtors' corporate governance mechanisms. Finally, none of the Participants had any input in the development of the Retention Plans. Therefore, the Debtors respectfully submit that none of the Participants constitute "insiders" of the Debtors, and the restrictions of section 503(c)(1) of the Bankruptcy Code is inapplicable to the Retention Plans.

Waiver of Bankruptcy Rule 6004(h)

37. To implement the foregoing immediately, the Debtors seek a waiver, to the extent required, of the fourteen-day stay of an order authorizing the use, sale, or lease of property under Bankruptcy Rule 6004(h).

Motion Practice

38. This motion includes citations to the applicable rules and statutory authorities upon which the relief requested herein is predicated and a discussion of their application to this motion. Accordingly, the Debtors submit that this motion satisfies Local Rule 9013-1(a).

Notice

39. The Debtors have provided notice of this motion to the entities on the Master Service List (as defined in the case management order in these chapter 11 cases [Docket No. 184]

and available on the Debtors' case website at https://omnimgt.com/hollander). The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

No Prior Request

40. No prior request for the relief sought in this motion has been made to this or any other court.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

WHEREFORE, the Debtors respectfully request entry of an order, substantially in the form attached hereto as **Exhibit A**, granting the relief requested herein and granting such other relief as is just and proper.

New York, New York
Dated: July 3, 2019

/s/ Joshua A. Sussberg, P.C.

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Counsel to the Debtors and Debtors in Possession

Exhibit A

Proposed Order

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
HOLLANDER SLEEP PRODUCTS, LLC., *et al.*,[1]	)	Case No. 19-11608 (MEW)
Debtors.	)	(Jointly Administered)
	)	**Re: Docket No. __**

ORDER (A) APPROVING THE DEBTORS' KEY EMPLOYEE RETENTION PLANS AND (B) GRANTING RELATED RELIEF

Upon the motion (the "Motion")[2] of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of an order (this "Order"), (a) approving the Debtors' key employee retention plan (the "Hollander Retention Plan"), (b) approving retention payments related to the closure of the Thomson, Georgia plant (the "Georgia Retention Plan," and together with the Hollander Retention Plan, the "Retention Plans"), and (c) granting related relief, all as more fully set forth in the Motion; and upon the Pfefferle Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the Southern District of New York*, dated January 31, 2012; and this Court having the power to enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors' service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

[2] Capitalized terms not otherwise herein defined shall have the meanings ascribed to such terms in the Motion.

the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted as set forth herein.

2. Pursuant to sections 503(c) and 363(b)(1) of the Bankruptcy Code, the Retention Plans are approved.

3. The Debtors are authorized, but not directed, to implement the Retention Plans and make the payments contemplated thereunder at the times specified in the Motion.

4. The Debtors may add a replacement participant(s) to the Retention Plans upon the resignation or the termination for cause of any Participant, *provided* that the Debtors must provide advance notice of such replacement participant to counsel for the U.S. Trustee and counsel to the UCC.

5. Notwithstanding the relief granted in this Order, any payment made by the Debtors pursuant to the authority granted herein shall be subject to and in compliance with any orders entered by the Court approving the Debtors' entry into any postpetition debtor in possession financing facility and any budget in connection therewith and/or authorizing the Debtors' use of cash collateral and any budget in connection therewith.

6. Notwithstanding Bankruptcy Rule 6004(h), the terms and provisions of this Order shall be immediately effective and enforceable upon its entry.

7. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

8. The Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

New York, New York
Dated: _____, 2019

THE HONORABLE MICHAEL E. WILES
UNITED STATES BANKRUPTCY JUDGE

Exhibit B

Pfefferle Declaration

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Counsel to the Debtors and Debtors in Possession

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
HOLLANDER SLEEP PRODUCTS, LLC, *et al.*,[1]	)	Case No. 19-11608 (MEW)
Debtors.	)	(Jointly Administered)

DECLARATION OF MARC PFEFFERLE IN SUPPORT OF DEBTORS' MOTION FOR ENTRY OF AN ORDER (A) APPROVING THE DEBTORS' KEY EMPLOYEE RETENTION PLANS AND (B) GRANTING RELATED RELIEF

I, Marc Pfefferle, Chief Executive Officer of Hollander Sleep Products, LLC and certain of its affiliates and subsidiaries (the "Debtors"), hereby declare under penalty of perjury:

1. I am a Partner at Carl Marks Advisory Group LLC ("Carl Marks") and have served as the Chief Executive Officer of Hollander Sleep Products, LLC, since March 28, 2019. I submit this declaration in support of the Debtors' motion (the "Motion") seeking entry of an order approving the Debtors' proposed key employee retention plans (the "Retention Plans").

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors' service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

2. Before joining Carl Marks, I was a Partner with Marigold Associates, a strategic management consulting firm serving Fortune 100 companies, and before that I worked for Price Waterhouse LLP. I have over thirty years of experience providing restructuring and reorganization services for companies, creditors, and other stakeholders across a variety of industries, including consumer products, retail, manufacturing, and distribution related businesses.

3. I am familiar with the Debtors' day-to-day operations, business and financial affairs, and books and records. Except as otherwise indicated, all facts in this declaration are based upon my personal knowledge, my discussions with the Debtors' management team and advisors (including the Carl Marks team working under my supervision), my review of relevant documents and information concerning the Debtors' operations, financial affairs, and restructuring initiatives, or my opinions based upon my experience and knowledge. I am over the age of 18 and authorized to submit this declaration on behalf of the Debtors. If called upon to testify, I could and would testify competently to the facts set forth in this declaration.

Necessity and Development of the Retention Plans

4. The Debtors are undergoing a complex operational restructuring requiring significant increased workloads and stresses on the part of key employees. These employees perform critical oversight of the Debtors' manufacturing operations and plant management services as well as provide critical accounting, asset management, business administration and development, human resources, information technology, marketing and sales, and sourcing and logistics work. Certain of this personnel has also undertaken additional tasks beyond the scope of their usual job functions necessary to administer these chapter 11 cases, such as preparing various reports required to administer these chapter 11 cases and provide updates to the Official Committee of Unsecured Creditors (the "UCC") under the Debtors' various first day relief. The key employees are meeting these obligations while the Debtors are running a marketing process for

their assets, which invariably has led to additional concerns about job security for the key employees. Moreover, as part of these chapter 11 cases, the Debtors are also commencing a process to right-size their operating model to improve financial performance and maintain value for all stakeholders. As part of these efforts, the Debtors have announced the closing of their Thomson, Georgia plant and the Debtors will need key employees to remain with the Debtors to ensure a smooth and efficient closure of the facility.

5. Maintaining the morale, support, and focus of the Debtors' employees is absolutely essential to fostering an environment where the Debtors' operations can succeed in a safe, efficient, and reliable manner while the Debtors work to reorganize their business to maximize the value of their estates. Absent the relief requested, the Debtors face the real risk of losing key employees at a critical time in their restructuring efforts. Indeed, since the Petition Date, two key employees have resigned in the Debtors' various management and operational departments.

6. By the Motion, the Debtors seek approval of the Debtors' Retention Plans to retain key personnel as well as operational employees of the Thomson, Georgia plant. The Retention Plans are necessary for the Debtors to maintain stability in their operations and maintain enterprise value and is consistent with retention plans in similarly sized chapter 11 cases. The Retention Plans provide for payment of awards to 74 of the Debtors' non-insider employees (each, a "Participant," and, collectively, the "Participants"), including 47 Participants (the "Hollander Participants") under the Debtors' key employee retention plan (the "Hollander Retention Plan") and 28 Participants[2] (the "Georgia Participants") under their retention plan related to the closure of the Debtors' Thomson, Georgia plant (the "Georgia Retention Plan") No Participant is an

[2] One Participant is included in both the Hollander Retention Plan and the Georgia Retention Plan. If the Georgia Retention Plan is approved, such Participant would be removed from the Hollander Retention Plan.

officer or director (as such terms are normally understood), but instead play vital rank-and-file functions for the Debtors' business.[3] The departure of any of the Participants during these chapter 11 cases would disrupt ongoing operations at an important phase in the Debtors' restructuring process, including their process to wind down operations at their Georgia plant. As a result, I believe implementation of the Retention Plans is necessary and appropriate in an attempt to avoid costly disruptions.

7. I believe that the Participants must be motivated to remain with the Debtors during their reorganization and the closure of their Georgia plant. By increasing motivation among the Participants and providing them with an incentive to continue performing important functions, the Retention Plans align the interests of the Debtors, their employees, and creditors. Moreover, should any of the Participants resign before the conclusion of the Debtors' chapter 11 cases or winding down of the Georgia facility, the Debtors leadership, including myself, will have to devote significant time and resources to find suitable replacements.

8. The Debtors and their advisors reviewed the Debtors' needs during the chapter 11 cases and the necessary features of a retention plan. In concert with their advisors, the Debtors designed Retention Plans keeping in mind their goals of maximizing the value of their estates for the benefit of all interested parties and ensuring that their operations are maintained in an effective and stable manner through the consummation of a chapter 11 plan and the closure of the Georgia facility. I submit that the Retention Plans have been designed in a reasonable, cost-effective way to ensure the commitment of those key personnel that will be essential to the Debtors achieving these goals.

[3] As discussed more fully herein, the Debtors respectfully submit that no Participant is an "insider," as that term is defined in section 101(31) of the Bankruptcy Code.

9. In developing the plan, the Debtors and Carl Marks consulted with department heads to determine who was most critical and most likely to leave or even actively searching for new work. Further, the Debtors took an objective view and did not discriminate on any basis in deciding which employees needed to be incentivized to remain with the Debtors through emergence from chapter 11. In particular, the Debtors worked closely with their advisors to ensure that the incentives for the Participants were appropriate and within the Debtors' postpetition financing budget. I believe that both the average award and total cost of the proposed Retention Plans fall well below the average market comparables.

Terms of the Retention Plans

10. The aggregate cost of the Retention Plans will be no greater than $559,000. Approximately 74 key employees may be eligible to receive a retention payment under the Retention Plans. The Participants are the individuals who have the relevant expertise and knowledge of the Debtors' operations that make it essential that they remain incentivized while the chapter 11 cases are pending. Retaining this specific group of employees will allow the Debtors to leverage the Participant's skills across the Debtors' enterprise and operations. The Hollander Participants are familiar with the Debtors' business and have the experience and knowledge necessary to ensure the Debtors' continued operations during the chapter 11 cases. The Debtors cannot easily replace the Hollander Participants without adversely affecting the Debtors' operating efficiency and distracting management from the Debtors' restructuring efforts. Similarly, the Georgia Participants have developed technical knowledge regarding the business operations of the Georgia facility and are therefore vital to the efficient operations of such facility through its wind down. Accordingly, hiring and training replacements for the Georgia Participants within the several month wind down period would be difficult and costly at best and impossible at worst, thereby impacting customer service levels and harming value for all stakeholders.

11. The Hollander Retention Plan will be paid in one installment upon (i) the effective date of a chapter 11 plan or (ii) the closing of a sale of all or substantially all of the Debtors' assets, as applicable. The Georgia Retention Plan will be paid in one installment upon termination of the Georgia Participants by the Debtors; *provided* that such termination is not for cause.

12. Without the payments under the proposed Retention Plans, I believe that the Participants will not be appropriately incentivized during the remainder of the chapter 11 cases and through the wind down of the Georgia facility, harming the value of the estates and affecting the efficiency of the Debtors' efforts and operations.

The Participants Are Not Insiders

13. While a few Participants have titles that include the word "director" suggesting insider status, none of the Participants are in reality insiders. Although the Participants are important to the Debtors' business, they do not have the ability to influence corporate policy or the direction of the Debtors' business operations or sit on, or directly report to, the board of directors. Many of the Participants' duties are limited to an individual division, and the Participants' scope of authority is accordingly limited. Merely holding a title of director conveys no special privileges within the Debtors' corporate hierarchy. Rather, each of the Participants that has a director title reports to officers and executives below my position as Chief Executive Officer of the Debtors. As a result, the Debtors do not believe that these individuals are insiders vis-a-vis the Debtor implementing the Retention Plans.

14. In light of the foregoing, I believe that the Retention Plans are a reasonable, market-based approach to retaining employees essential to the Debtors' reorganization and operations. The relief sought in the Motion should be granted by the Court, as it represents a key element of the Debtors' efforts in the chapter 11 cases.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Dated: July 3, 2019
New York, New York

/s/ Marc Pfefferle
Name: Marc Pfefferle
Title: Chief Executive Officer
Hollander Sleep Products, LLC

THIS IS EXHIBIT "D" REFERRED TO IN THE AFFIDAVIT OF EVAN BARZ SWORN ON AUGUST 2, 2019.

Commissioner for Taking Affidavits

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
HOLLANDER SLEEP PRODUCTS, LLC., *et al.*,[1]	)	Case No. 19-11608 (MEW)
Debtors.	)	(Jointly Administered)
	)	**Re: Docket No. __**

ORDER (A) APPROVING THE DEBTORS' KEY EMPLOYEE RETENTION PLANS AND (B) GRANTING RELATED RELIEF

Upon the motion (the "Motion")[2] of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of an order (this "Order"), (a) approving the Debtors' key employee retention plan (the "Hollander Retention Plan"), (b) approving retention payments related to the closure of the Thomson, Georgia plant (the "Georgia Retention Plan," and together with the Hollander Retention Plan, the "Retention Plans"), and (c) granting related relief, all as more fully set forth in the Motion; and upon the Pfefferle Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the Southern District of New York*, dated January 31, 2012; and this Court having the power to enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors' service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

[2] Capitalized terms not otherwise herein defined shall have the meanings ascribed to such terms in the Motion.

the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted as set forth herein.

2. Pursuant to sections 503(c) and 363(b)(1) of the Bankruptcy Code, the Retention Plans are approved.

3. The Debtors are authorized, but not directed, to implement the Retention Plans and make the payments contemplated thereunder at the times specified in the Motion.

4. The Debtors may add a replacement participant(s) to the Retention Plans upon the resignation or the termination for cause of any Participant, *provided* that the Debtors must provide advance notice of such replacement participant to counsel for the U.S. Trustee and counsel to the UCC.

5. Notwithstanding the relief granted in this Order, any payment made by the Debtors pursuant to the authority granted herein shall be subject to and in compliance with any orders entered by the Court approving the Debtors' entry into any postpetition debtor in possession financing facility and any budget in connection therewith and/or authorizing the Debtors' use of cash collateral and any budget in connection therewith.

6. Notwithstanding Bankruptcy Rule 6004(h), the terms and provisions of this Order shall be immediately effective and enforceable upon its entry.

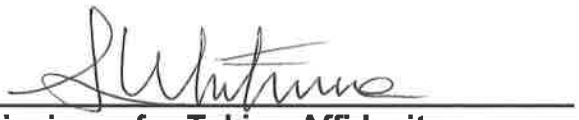
7. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

8. The Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

New York, New York
Dated: _____, 2019

THE HONORABLE MICHAEL E. WILES
UNITED STATES BANKRUPTCY JUDGE

THIS IS EXHIBIT "E" REFERRED TO IN THE AFFIDAVIT OF EVAN BARZ SWORN ON AUGUST 2, 2019.



Commissioner for Taking Affidavits

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Proposed Counsel to the Debtors and Debtors in Possession

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
HOLLANDER SLEEP PRODUCTS, LLC, *et al.*,[1]	)	Case No. 19-11608 (MEW)
Debtors.	)	(Jointly Administered)

NOTICE OF DEBTORS' APPLICATION FOR ENTRY OF AN ORDER (A) AUTHORIZING THE EMPLOYMENT AND RETENTION OF HOULIHAN LOKEY CAPITAL, INC. AS FINANCIAL ADVISOR AND INVESTMENT BANKER TO THE DEBTORS *NUNC PRO TUNC* TO THE PETITION DATE, (B) APPROVING THE TERMS OF THE ENGAGEMENT AGREEMENT, (C) WAIVING CERTAIN TIME-KEEPING REQUIREMENTS, AND (D) GRANTING RELATED RELIEF

PLEASE TAKE NOTICE that a hearing on the *Debtors' Application for Entry of an Order (A) Authorizing the Employment and Retention of Houlihan Lokey Capital, Inc. as Financial Advisor and Investment Banker to the Debtors* Nunc Pro Tunc *to the Petition Date, (B) Approving the Terms of the Engagement Agreement, (C) Waiving Certain Time-Keeping Requirements, and (D) Granting Related Relief* (the "Application") will be held before the Honorable Michael E. Wiles, United States Bankruptcy Judge, United States Bankruptcy Court for the Southern

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors' service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

District of New York (the "Court"), One Bowling Green, Courtroom No. 617, New York, New York 10004-1408, on **June 13, 2019, at 11:00 a.m.**, **prevailing Eastern Time.**

PLEASE TAKE FURTHER NOTICE that any responses or objections to the relief requested in the Application shall: (a) be in writing; (b) conform to the Federal Rules of Bankruptcy Procedure, the Local Bankruptcy Rules for the Southern District of New York, and all General Orders applicable to chapter 11 cases in the United States Bankruptcy Court for the Southern District of New York; (c) be filed electronically with the Court on the docket of *In re Hollander Sleep Products, LLC*, Case No. 19-11608 (MEW) by registered users of the Court's electronic filing system and in accordance with the General Order M-399 (which is available on the Court's website at http://www.nysb.uscourts.gov); and (c) be served so as to be actually received by **June 6, 2019 at 4:00 p.m., prevailing Eastern Time**, by (i) the entities on the Master Service List available on the above-captioned debtors and debtors in possession' (the "Debtors") case website at https://omnimgt.com/hollander and (ii) any person or entity with a particularized interest in the subject matter of the Application.

PLEASE TAKE FURTHER NOTICE that only those responses that are timely filed, served, and received will be considered at the hearing. Failure to file a timely objection may result in entry of a final order granting the Application as requested by the Debtors

New York, New York
Dated: May 30, 2019

/s/ Joshua A. Sussberg, P.C.

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Proposed Counsel to the Debtors and Debtors in Possession

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
HOLLANDER SLEEP PRODUCTS, LLC, *et al.*,[2]	)	Case No. 19-11608 (MEW)
Debtors.	)	(Jointly Administered)

DEBTORS' APPLICATION FOR ENTRY OF AN ORDER (A) AUTHORIZING THE EMPLOYMENT AND RETENTION OF HOULIHAN LOKEY CAPITAL, INC. AS FINANCIAL ADVISOR AND INVESTMENT BANKER TO THE DEBTORS *NUNC PRO TUNC* TO THE PETITION DATE, (B) APPROVING THE TERMS OF THE ENGAGEMENT AGREEMENT, (C) WAIVING CERTAIN TIME-KEEPING REQUIREMENTS, AND (D) GRANTING RELATED RELIEF

The above-captioned debtors and debtors in possession (collectively, the "Debtors") respectfully state as follows in support of this application:

Relief Requested

1. By this application, the Debtors seek entry of an order, substantially in the form attached hereto as **Exhibit A**, (a) authorizing the Debtors to retain and employ Houlihan Lokey Capital, Inc. ("Houlihan Lokey") as their financial advisor and investment banker, *nunc pro tunc* to May 19, 2019 (the "Petition Date"), pursuant to and in accordance with the terms and conditions set forth in that certain engagement agreement, dated May 2, 2019 (the "Engagement Agreement"),[3] a copy of which is attached hereto as **Exhibit 1** to **Exhibit A** and incorporated herein by reference, (b) approving the provisions of the Engagement Agreement, including the

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[3] Capitalized terms used but not otherwise defined herein, shall have the meanings ascribed to such terms in the Engagement Agreement.

proposed compensation arrangement set forth therein, under section 328(a) of title 11 of the United States Code (the "Bankruptcy Code"), (c) waiving certain time-keeping requirements under Rule 2016(a) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), Rule 2016-1 of the Local Bankruptcy Rules for the Southern District of New York (the "Local Rules"), the *Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases* dated January 29, 2013 (General Order M-447) (the "Amended Guidelines"), and the guidelines of the Office of the United States Trustee (the "UST Guidelines"), to the extent applicable, and (d) granting related relief. In support of this application, the Debtors submit the Declaration of Saul E. Burian (the "Burian Declaration") attached hereto as **Exhibit B** and incorporated by reference herein.

Jurisdiction and Venue

2. The United States Bankruptcy Court for the Southern District of New York (the "Court") has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the Southern District of New York,* dated January 31, 2012. The Debtors confirm their consent, pursuant to Bankruptcy Rule 7008, to the entry of a final order by the Court in connection with this application to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

3. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

4. The bases for the relief requested herein are sections 327(a) and 328 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the "Bankruptcy Code"), Bankruptcy Rules 2014(a) and 2016, and Local Rules 2014-1 and 2016-1.

Background

5. Hollander Sleep Products is the largest pillow and mattress pad manufacturer in North America. The Debtors also manufacture comforters and other basic bedding products. The Debtors have their own brands, including Great Sleep®, I AM®, LC®, PCF®, and Restful Nights®, and also manufacture and sell licensed brands, including Simmons®, Ralph Lauren®, CHAPS®, Calvin Klein®, Therapedic®, Nautica®, 37.5®, and Dr. Maas®. The Debtors are headquartered in Boca Raton, Florida, operate a main showroom in New York City, and have thirteen manufacturing facilities throughout the United States and Canada. The Debtors generated approximately $527 million in net revenue in fiscal year 2018 and currently employ more than 2,300 people across the United States and Canada. As of the date hereof, the Debtors have approximately $233 million in funded debt.

6. On the Petition Date, each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors are operating their businesses and managing their property as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. These chapter 11 cases are being jointly administered. As of the date hereof, no party has requested the appointment of a trustee or an examiner in these chapter 11 cases. On May 30, 2019, the United States Trustee for the Southern District of New York (the "U.S. Trustee") appointed an official committee of unsecured creditors pursuant to section 1102 of the Bankruptcy Code.

Houlihan Lokey's Qualifications

7. Houlihan Lokey is an internationally recognized investment banking and financial advisory firm with 26 offices worldwide and approximately 1,200 employees. Houlihan Lokey provides corporate finance and financial advisory services, as well as execution capabilities, in a variety of areas, including financial restructuring. In both 2017 and 2018, Houlihan Lokey ranked as the No. 1 M&A advisor for U.S. transactions, according to Thomson Reuters. The firm is one

of the leading providers of M&A fairness opinions and has the largest worldwide financial restructuring practice of any investment bank. Houlihan Lokey annually serves more than a thousand clients ranging from closely held companies to Global 500 corporations.

8. As more fully described in the Burian Declaration, Houlihan Lokey's Financial Restructuring Group, which has approximately 190 professionals, is one of the leading advisors and investment bankers to debtors, secured and unsecured creditors, acquirers, and other parties in interest involved in financially troubled companies based in a variety of industries and requiring complex financial restructurings, both in and outside of bankruptcy. Houlihan Lokey has been, and is, involved in a number of large restructuring cases in the United States, including representing debtors in the following cases: *In re Specialty Retail Shops Holding Corp.*, No. 19-80064 (TLS) (Bankr. D. Neb. Jan. 25, 2019); *In re Cobalt Int'l Energy, Inc.*, No. 17-36709 (MI) (Bankr. S.D. Tex. Jan. 11, 2018); *In re Seadrill Limited*, No. 17-60079 (DRJ) (Bankr. S.D. Tex. Oct. 31, 2017); *In re Angelica Corp.*, No. 17-10870 (JLG) (Bankr. S.D.N.Y. May 9, 2017); *In re Roust Corp*, No. 16-23786 (RDD) (Bankr. S.D.N.Y Apr. 3, 2017); *In re American Apparel, LLC*, No. 16-12551 (BLS) (Bankr. D. Del. Dec. 8, 2016); *In re SandRidge Energy, Inc.*, No. 16-32488 (DRJ) (Bankr. S.D. Tex. July 1, 2016); *In re Southcross Holdings LP*, No. 16-20111 (MI) (Bankr. S.D. Tex. May 6, 2016); *In re Relativity Fashion, LLC*, No. 15-11989 (MEW) (Bankr. S.D.N.Y. Feb. 1, 2016); *In re Cubic Energy, Inc.*, No. 15-12500 (CSS) (Bankr. D. Del. Jan. 12, 2016); *In re Forest Park Medical Center at Frisco, LLC*, No. 14-41684 (BTR) (Bankr. S.D. Tex. Sept. 22, 2015); *In re Quicksilver Res. Inc.*, No. 15-10585 (LSS) (Bankr. D. Del. Apr. 27, 2015); *In re BPZ Res., Inc.*, No. 15-60016 (DRJ) (Bankr. S.D. Tex. Mar. 9, 2015); *In re ALCO Stores, Inc.* No. 14-34941 (SGK) (Bankr. N.D. Tex. Nov. 14, 2014); *In re MSR Hotels & Resorts Inc.*, No. 13-11512 (SHL) (Bankr. S.D.N.Y. Mar. 4, 2014);

In re Erickson Retirement Communities, LLC, No. 09-37010 (SGJ) (Bankr. N.D. Tex. Nov. 24, 2009); *In re Buffets Holdings, Inc.*, No. 08-10141 (MFW) (Bankr. D. Del. Jan. 22, 2008. In addition, Houlihan Lokey has been involved in restructuring situations representing official creditors' committees including recent retentions in: *In re Sears Holdings Corporation*, No. 18-23538 (RDD) (Bankr. S.D.N.Y. Dec. 18, 2018); *In re Nine West Holdings, Inc.*, No. 18-10947 (SCC) (Bankr. S.D.N.Y. June 18, 2018), *In re Emerald Oil Inc.*, No. 16-10704 (KG) (Bankr. D. Del. Jun. 1, 2016); *In re Walter Energy Inc.*, No. 15-02741-TOM11 (Bankr. S.D. Alabama. Jan. 11, 2016); *In re Radioshack Corporation*, No. 15-10197 (BLS) (Bankr. D. Del. Mar. 18, 2015); *In re Caesar's Entertainment Operating Company, Inc.*, No. 15-01145 (ABG) (Bankr. N.D. IL Mar. 11, 2015); *In re Breitburn Energy Partners LP*, No. 16-11390 (SMB) (Bankr. S.D.N.Y Jun. 24, 2016); *In re Patriot Coal Corporation*, No. 12-12900 (Bankr. S.D.N.Y. Dec. 18, 2012); *In re Overseas Shipping Grp., Inc.*, No. 12-20000 (PJW) (Bankr. D. Del. Nov. 14, 2012); *In re Arcapita Bank B.S.C.*, No. 12-11076 (SHL) (Bankr. S.D.N.Y. Mar. 19, 2012).

9. In addition to those situations identified above, Houlihan Lokey's Financial Restructuring Group has also been involved in the publicly announced restructurings or chapter 11 reorganizations of multiple wholesalers and/or manufacturers including: Heritage Home Group, Rockport Group, Roust Corp, Performance Sports Group, Nine West Holdings, Inc., and American Apparel, Inc., among others.

10. The Debtors have selected Houlihan Lokey as their investment banker and financial advisor based upon, among other things, (a) the Debtors' need to retain an investment banking and financial advisory firm to provide advice in connection with a financial restructuring or reorganization of, and/or one or more sale transactions, and/or one or more financing transactions

for, the Debtors, as well as such other financial matters as to which the Debtors and Houlihan Lokey may agree in writing during the term of the Engagement Agreement and (b) Houlihan Lokey's extensive experience and excellent reputation in providing investment banking and financial advisory services in complex chapter 11 cases.

Houlihan Lokey's Prepetition Services

11. The Debtors engaged Houlihan Lokey on May 2, 2019, to provide financial advisory and investment banking services in connection with one or more potential financial restructuring and reorganization, sale, or financing transactions for the Debtors, and/or such other financial matters as to which the Debtors and Houlihan Lokey may agree in writing.

12. In rendering prepetition services to the Debtors in connection with these matters, Houlihan Lokey has worked closely with the Debtors' management and other retained professionals and has become well-acquainted with the Debtors' business operations and capital structure. Accordingly, Houlihan Lokey has developed significant expertise regarding the Debtors that will assist it in providing effective and efficient services during these chapter 11 cases. Should the Court approve the Debtors' retention of Houlihan Lokey as investment bankers, Houlihan Lokey will continue, without interruption, to perform the services for the Debtors as described herein.

13. At the same time, Houlihan Lokey commenced a marketing process relating to the Debtors' assets in May 2019. As part of that process, Houlihan worked very closely with the Debtors and their advisors to perform due diligence on the Debtors' assets, develop a list of potential financial and strategic buyers, set up a data room, and prepare preliminary marketing materials relating to the Debtors' assets, among other things. The Debtors and Houlihan Lockey will continue these efforts and actively solicit the market for potential financial and strategic buyers now that these cases have formally commenced.

Services To Be Provided[4]

14. As more fully described in the Engagement Agreement, the services being provided by Houlihan Lokey prior to and during these chapter 11 cases include the following:

(a) assisting the Debtors in the development and distribution of selected information, documents, and other materials, including, if appropriate, advising the Debtors in the preparation of an offering memorandum;

(b) assisting the Debtors in evaluating indications of interest and proposals regarding any Transaction(s) from current and/or potential lenders, equity investors, acquirers, and/or strategic partners;

(c) assisting the Debtors with the negotiation of any Transaction(s), including participating in negotiations with creditors and other parties involved in any Transaction(s);

(d) providing expert advice and testimony regarding financial matters related to any Transaction(s), if necessary;

(e) attending meetings of each Debtors' Board of Directors, creditor groups, official constituencies, and other interested parties, as the Debtors and Houlihan Lokey mutually agree; and

(f) providing such other financial advisory and investment banking services as may be required by additional issues and developments not anticipated on the Effective Date.

15. It is necessary for the reorganization efforts of the Debtors that the Debtors employ Houlihan Lokey to render the foregoing professional services. The Debtors believe that the services will not duplicate the services that other professionals will be providing the Debtors in these cases. Specifically, Houlihan Lokey will carry out unique functions and will use reasonable efforts to coordinate with the Debtors and other professionals retained in these cases to avoid the unnecessary duplication of services.

[4] This summary is included for ease of reference only and shall not limit, modify, or amend the Engagement Agreement, which, in the event of any inconsistency, shall govern.

Professional Compensation

16. Prior to the commencement of these chapter 11 cases and under the terms of the Engagement Agreement, the Debtors paid Houlihan Lokey fees of $100,000 for services rendered, and reasonable out-of-pocket expenses related thereto of $10,000. As more fully described in the Engagement Agreement, in consideration of the services provided by Houlihan Lokey, the Debtors have agreed to pay Houlihan Lokey during these chapter 11 cases:

(a) ***Monthly Fees***. In addition to the other fees provided for in the Engagement Agreement, upon the Effective Date, and on every monthly anniversary of the Effective Date during the term of the Engagement Agreement, the Debtors shall pay Houlihan Lokey in advance, without notice or invoice, a nonrefundable cash fee of $100,000 (the "Monthly Fee") for a minimum of four months from the Effective Date (collectively, the "Minimum Monthly Fees"). Each Monthly Fee shall be earned upon Houlihan Lokey's receipt thereof in consideration of Houlihan Lokey accepting this engagement and performing services as described in the Engagement Agreement. If this Agreement is terminated before the end of the fourth month from the Effective Date, the Debtors agree to pay to Houlihan Lokey, on the effective date of such termination, the unpaid amount of the Minimum Monthly Fees.

(b) ***Transaction Fee(s)***. In addition to the other fees provided for in the Engagement Agreement, the Debtors shall pay Houlihan Lokey the following transaction fee(s):

i. ***Restructuring Transaction Fee***. Upon the earlier to occur of: (A) in the case of an out-of-court Restructuring Transaction, the closing of such Restructuring Transaction; and (B) in the case of an in-court Restructuring Transaction, the date of confirmation of a plan of reorganization or liquidation under Chapter 11 of the Bankruptcy Code pursuant to an order of the applicable bankruptcy court, Houlihan Lokey shall earn, and the Debtors shall promptly pay to Houlihan Lokey, a cash fee (the "Restructuring Transaction Fee") of $1,000,000; *provided* that, in the event that one or more Sale Transactions have occurred prior to the consummation of a Restructuring Transaction and the Restructuring Transaction consists of a plan or other reorganization concerning the remaining assets of the Debtors versus merely a liquidation and distribution of the relevant sale proceeds to creditors, the Restructuring Transaction Fee shall be reduced to the applicable multiple transaction fee as described in section 3(ii)(c) of the Engagement Agreement;

ii. ***Sale Transaction Fee***. Upon the closing of a Sale Transaction, Houlihan Lokey shall earn, and the Debtors shall thereupon pay immediately and directly from the gross proceeds of such Sale Transaction, as a cost of such

Sale Transaction, a cash fee (the "Sale Transaction Fee") of $1,000,000 plus 3.0% of the combined aggregate gross consideration ("AGC") above a threshold to be agreed upon in good faith by Houlihan Lokey and Barings Finance LLC ("Barings"), as agent for the Term Loan or by the Court (for all consummated Sale Transactions and all asset sales by third party liquidators or other similar asset disposition specialist), and 5.0% of the combined AGC in excess of a higher threshold to be agreed upon in good faith by Houlihan Lokey and Barings, as agent for the Term Loan or by the Court (for all consummated Sale Transactions and all asset sales by third party liquidators or other similar asset disposition specialist);

iii. ***Subsequent Sale Transaction Fee***. If multiple Sale Transactions are consummated under the term of the Engagement Agreement, or one Sale Transaction followed by consummation of a plan of reorganization or liquidation, for each additional Sale Transaction, Houlihan Lokey shall earn, and the Debtors shall thereupon pay immediately and directly from the gross proceeds of such Sale Transaction, as a cost of such Sale Transaction, a cash fee (each a "Subsequent Sale Transaction Fee") of:

(a) $350,000 for the first subsequent Sale Transaction;

(b) $300,000 for the second subsequent Sale Transaction; and

(c) $250,000 for any subsequent Sale Transaction thereafter.

Provided that under no circumstance will any Subsequent Sale Transaction Fee represent more than 10% of the AGC of such subsequent Sale Transaction. The delta between the actual subsequent Sale Transaction Fee and the respective Sale Transaction Fee determined pursuant to paragraph 15(b)(iii)(a), (b), and (c) above shall be added to the next subsequent Sale Transaction fee in paragraph 15(b)(iii)(c), if any;

iv. ***Financing Transaction Fee***. Upon the closing of each Financing Transaction, Houlihan Lokey shall earn, and the Debtors shall thereupon pay immediately and directly from the gross proceeds of such Financing Transaction, as a cost of such Financing Transaction, a cash fee (the "Financing Transaction Fee") equal to the sum of: (A) 1.5% of the gross proceeds of any indebtedness raised or committed that is senior to other indebtedness of the Debtors, secured by a first priority lien and unsubordinated, with respect to both lien priority and payment, to any other obligations of the Debtors (other than with respect to debtor in possession financing); (B) 3.0% of the gross proceeds of any indebtedness raised or committed that is secured by a lien (other than a first lien), is unsecured and/or is subordinated; and (C) 5.0% of the gross proceeds of all equity or equity-linked securities (including, without limitation, convertible securities and preferred stock) placed or committed. Any warrants issued in connection with the raising of debt or equity capital shall, upon the exercise thereof, be considered equity for the purpose of calculating the

> Financing Transaction Fee, and such portion of the Financing Transaction Fee shall be paid upon such exercise and from the gross proceeds thereof, regardless of any prior termination or expiration of the Engagement Agreement. It is understood and agreed that if the proceeds of any such Financing Transaction are to be funded in more than one stage, Houlihan Lokey shall be entitled to its applicable compensation hereunder upon the closing date of each stage. The Financing Transaction Fee(s) shall be payable in respect of any sale of securities whether such sale has been arranged by Houlihan Lokey, by another agent (or other issuer of the Securities in such Financing Transaction) or directly by the Debtors. Any non-cash consideration provided to or received in connection with the Financing Transaction (including but not limited to intellectual or intangible property) shall be valued for purposes of calculating the Financing Transaction Fee as equaling the number of Securities issued in exchange for such consideration multiplied by (in the case of debt securities) the face value of each such Security or (in the case of equity securities) the price per Security paid in the then current round of financing. The fees set forth in the Engagement Agreement shall be in addition to any other fees that the Debtors may be required to pay to any investor or other purchaser of Securities to secure its financing commitment.
>
> Any Restructuring Transaction Fee, Sale Transaction Fee, Subsequent Sale Transaction Fee, and Financing Transaction Fee is each referred to as a "Transaction Fee" and are collectively referred to herein as "Transaction Fees." All payments received by Houlihan Lokey pursuant to the Engagement Agreement at any time shall become the property of Houlihan Lokey without restriction. No payments received by Houlihan Lokey pursuant to the Engagement Agreement will be put into a trust or other segregated account.

17. In addition to all of the other fees and expenses described in the Engagement Agreement, and regardless of whether any Transaction is consummated, the Debtors shall, upon Houlihan Lokey's request, reimburse Houlihan Lokey for its reasonable out-of-pocket expenses incurred from time to time in connection with its services under the Engagement Agreement. Houlihan Lokey bills its clients for its reasonable out-of-pocket expenses including, but not limited to, (a) travel-related and certain other expenses, without regard to volume-based or similar credits or rebates Houlihan Lokey may receive from, or fixed-fee arrangements made with, travel agents, airlines or other vendors, and (b) research, database, and similar information charges paid to third party vendors, and reprographic expenses, to perform client-related services that are not capable

of being identified with, or charged to, a particular client or engagement in a reasonably practible manner, based upon a uniformly applied monthly assessment or percentage of the fees due to Houlihan Lokey. Houlihan Lokey shall, in addition, be reimbursed by the Debtors for the reasonable and documented fees and expenses of Houlihan Lokey's legal counsel incurred in connection with the negotiation and performance of the Engagement Agreement and the matters contemplated hereby.

18. The Debtors believe that the compensation structure described above is (a) comparable to compensation generally charged by investment banking firms of similar stature to Houlihan Lokey for comparable engagements, both in and out of bankruptcy proceedings, and (b) reflects a typical fee structure for Houlihan Lokey and other leading investment banking firms which do not bill their clients on an hourly basis, but are generally compensated on a transactional basis.

19. The hours worked, the results achieved, and the ultimate benefit to the Debtors of the work performed by Houlihan Lokey in connection with this engagement may vary and the Debtors have taken this into account in setting the above fees.

20. Houlihan Lokey's restructuring expertise, as well as its capital markets knowledge, financing skills, knowledge, and experience within the Debtors' industry and mergers and acquisitions capabilities, some or all of which may be required by the Debtors during the term of Houlihan Lokey's engagement hereunder, were important factors to the Debtors in determining the amount of Houlihan Lokey's fees, and the Debtors believe that the ultimate benefit to the Debtors of Houlihan Lokey's services hereunder cannot be measured merely by reference to the number of hours to be expended by Houlihan Lokey's professionals in the performance of such services.

21. The Debtors propose that all compensation and expenses will be sought in accordance with 328(a) of the Bankruptcy Code and will not be subject to the standard of review in section 330 of the Bankruptcy Code.

Waiver of Requirements Regarding Time Entry Detail

22. Consistent with its ordinary practice and the practice of investment bankers and financial advisors in other chapter 11 cases whose fee arrangements are typically not hours-based, Houlihan Lokey does not ordinarily maintain contemporaneous time records (similar to those customarily kept by attorneys and required by the Amended Guidelines and UST Guidelines) or provide or conform to a schedule of hourly rates for its professionals.

23. The Debtors, therefore, respectfully request that notwithstanding anything to the contrary in the Bankruptcy Code, the Bankruptcy Rules, orders of this Court, or any guidelines regarding submission and approval of fee applications, that Houlihan Lokey and its professionals be excused from complying with any such requirements in connection with the services to be rendered pursuant to the Engagement Agreement.

24. Notwithstanding the foregoing, Houlihan Lokey intends to file interim and final fee applications for the allowance of compensation for services rendered and reimbursement of expenses incurred. Such applications will include time records setting forth, in a summary format, a description of the services rendered by each professional, and the amount of time spent on each date by each such individual in rendering services on behalf of the Debtors in one half (.5) hour increments. Houlihan Lokey will also maintain detailed records of any actual and necessary costs and expenses incurred in connection with the services discussed above.

25. Courts in other large chapter 11 cases in this district routinely excuse flat-fee professionals from time-keeping requirements under similar circumstances. *See, e.g.*,

In re Windstream Holdings, Inc., No. 19-22312 (Bankr. S.D.N.Y. Apr. 22, 2019); *In re Fullbeauty Brands Holdings Corp.*, No. 19-22185 (RDD) (Bankr. S.D.N.Y. Mar. 8, 2019); *In re Aegean Marine Petroleum Network Inc.*, No. 18-13374 (MEW) (Bankr. S.D.N.Y. Feb. 20, 2019); *In re Nine West Holdings, Inc.*, No. 18-10947 (SCC) (Bankr. S.D.N.Y. June 14, 2018); *In re Cenveo, Inc.*, No. 18-22178 (RDD) (Bankr. S.D.N.Y Mar. 8, 2018).

Houlihan Lokey's Disinterestedness

26. To the best of the Debtors' knowledge, (a) Houlihan Lokey is a "disinterested person," as such term is defined in section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code, and, as required by section 327(a) and referenced by section 328(c) of the Bankruptcy Code, neither holds nor represents any interest adverse to the Debtors and their estates and (b) except as disclosed in the Burian Declaration, has no connection to the Debtors or to their significant creditors or certain other potential parties in interest ("Parties In Interest") whose names were supplied to Houlihan Lokey by the Debtors.[5]

27. Also, to the best of the Debtors' knowledge, information and belief, and based entirely and in reliance upon the Burian Declaration: (a) to the best of Mr. Burian's knowledge, information and belief, none of Houlihan Lokey's past or current engagements would or does appear to create an interest materially adverse to the interests of the Debtors, creditors, or equity security holders in these cases and, as such the Debtors believe that Houlihan Lokey is disinterested and holds no materially adverse interest as to the matters upon which they are to be retained; and (b) to the extent Houlihan Lokey discovers any facts bearing on the matters described herein during

[5] The list of Parties In Interest supplied to Houlihan Lokey by the Debtors is attached as **Annex 2** to the Burian Declaration. To the extent that Houlihan Lokey's research of relationships with these Parties In Interest indicated that Houlihan Lokey has provided in the recent past or is currently providing services to any of these entities in matters unrelated to these chapter 11 cases, Houlihan Lokey has so indicated in **Annex 3** to the Burian Declaration.

the period of Houlihan Lokey's retention, they will supplement the information contained in the Burian Declaration.

28. As described in more detail in the Burian Declaration, Houlihan Lokey, among other things, searched its client databases to determine whether it represents, or has represented, certain of the Debtors' creditors or other Parties In Interest in these proceedings, and/or matters wholly unrelated to those proceedings. Due to the size of Houlihan Lokey and the number of creditors and other parties in interest involved in these cases, however, Houlihan Lokey may have represented certain of the Debtors' creditors or other Parties In Interest in matters wholly unrelated to the chapter 11 cases. Except as may be described in the Burian Declaration, Houlihan Lokey does not, to its knowledge, represent any party with an interest materially adverse to the Debtors or their estates.

29. Also, in accordance with section 504 of the Bankruptcy Code, Houlihan Lokey has informed the Debtors that there is no agreement or understanding between Houlihan Lokey and any other entity, other than an employee of Houlihan Lokey, for the sharing of compensation received or to be received for services rendered in connection with these chapter 11 cases

Indemnification of Houlihan Lokey

30. Among other things, the Engagement Agreement provides that the Debtors shall indemnify Houlihan Lokey and the other Indemnified Parties (as defined in the Engagement Agreement) against any and all losses, claims, damages, or liabilities to which Houlihan Lokey may become subject in connection with the Engagement Agreement, except to the extent such losses are finally judicially determined to have resulted primarily from such Indemnified Party's actual fraud, bad faith, gross negligence, or willful misconduct.

31. The Debtors and Houlihan Lokey believe that the indemnification, contribution, reimbursement and other related provisions contained in the Engagement Agreement are

customary and reasonable for financial advisory and investment banking engagements, both in- and out-of-court, and, as modified by the proposed order, reflect the qualifications and limitations on indemnification provisions that are customary in this district and other jurisdictions. Similar indemnification arrangements have been approved and implemented in other large chapter 11 cases by courts in this District. *See, e.g.*, *In re Windstrean Holdings, Inc.*, No. 19-22312 (RDD) (Bankr. S.D.N.Y. Apr. 22, 2019) (approving similar indemnification agreements); *In re FullBeauty Brands Holdings Corp.*, No. 19-22185 (RDD) (Bankr. S.D.N.Y. Mar. 8, 2019) (same); *In re Aegean Marine Petroleum Network Inc.*, No. 18-13374 (MEW) (Bankr. S.D.N.Y. Feb. 20, 2018) (same); *In re Nine West Holdings, Inc.*, No. 18-10947 (SCC) (Bankr. S.D.N.Y. June 14, 2018) (same); *In re Glob. A&T Elecs. Ltd.*, No. 17-23931 (RDD) (Bankr. S.D.N.Y. Feb. 26, 2018) (same).

32. The terms and conditions of the Engagement Agreement, including these provisions, were negotiated by the Debtors and Houlihan Lokey at arm's length and in good faith. The Debtors respectfully submit that such provisions, viewed in conjunction with the other terms of Houlihan Lokey's proposed retention, are reasonable and in the best interests of the Debtors, their estates and creditors in light of the fact that the Debtors require Houlihan Lokey's services in these chapter 11 cases.

No Duplication of Services

33. The Debtors believe that the services provided by Houlihan Lokey will not duplicate the services that other professionals will be providing to the Debtors in these chapter 11 cases. The Debtors will coordinate with Houlihan Lokey and the Debtors' other professionals to minimize unnecessary duplication of efforts among the Debtors' professionals.

Basis for Relief

I. Retention Pursuant To Bankruptcy Code Section 328(a)

34. The Debtors are seeking to retain Houlihan Lokey pursuant to section 328(a) of the Bankruptcy Code. Section 328(a) provides, in relevant part, that a debtor "with the court's approval, may employ or authorize the employment of a professional person under section 327, on any reasonable terms and conditions of employment, including on a retainer, on an hourly basis, on a fixed or percentage fee basis, or on a contingent fee basis." 11 U.S.C. § 328(a). Thus, section 328(a) of the Bankruptcy Code permits this Court to approve the terms of Houlihan Lokey's engagement as set forth in the Engagement Agreement.

35. The Debtors submit that the fee structure, expense reimbursements, and indemnification provisions are reasonable terms and conditions of employment under Bankruptcy Code section 328(a) in light of the following: (a) the nature and scope of services to be provided by Houlihan Lokey; (b) industry practice with respect to the fee structures and indemnification provisions typically utilized by leading investment banks and investment bankers that do not bill their clients on an hourly basis; (c) market rates charged for comparable services both in and out of the chapter 11 context; (d) Houlihan Lokey's substantial experience with respect to financial restructuring and investment banking; and (e) the extensive nature and scope of work already performed by Houlihan Lokey prior to the Petition Date.

36. The terms of the Engagement Agreement were negotiated in good faith and at arm's-length between the Debtors and Houlihan Lokey and reflect the Debtors' evaluation of the extensive work that has been and will be performed by Houlihan Lokey and its financial advisory expertise. The Debtors acknowledge and agree that the fee structure was agreed upon by the parties in anticipation of a substantial professional commitment of time and effort by Houlihan Lokey and its professional staff under the Engagement Agreement, and in light of the fact that

such commitment may foreclose other opportunities for Houlihan Lokey and its professional staff and that the actual time and commitment required of Houlihan Lokey and its professional staff to perform the services under the Engagement Agreement may vary substantially from week to week or month to month, creating "peak load" issues for the firm.

37. Furthermore, the fee structure is consistent with and typical of compensation arrangements entered into by Houlihan Lokey and other comparable firms in connection with the rendering of similar services under similar circumstances. Houlihan Lokey's dedicated Financial Restructuring group, strategic and financial expertise as well as its capital markets knowledge, financing skills, restructuring capabilities, and mergers and acquisitions expertise, some or all of which may be required by the Debtors during the term of Houlihan Lokey's engagement, were all important factors in determining the fee structure. The Debtors believe that the ultimate benefit of Houlihan Lokey's services cannot be measured by reference to the number of hours to be expended by Houlihan Lokey's professionals in the performance of such services. Accordingly, the Debtors submit that the fee structure is both fair and reasonable under the standards set forth in Bankruptcy Code section 328(a).

38. The Debtors propose that, notwithstanding Houlihan Lokey's retention under section 328(a), the U.S. Tustee will retain the right to object to the compensation to be paid to Houlihan Lokey pursuant to the Engagement Agreement based on the reasonableness standard provided for in Bankruptcy Code section 330, *provided* that reasonableness for this purpose shall include, among other things, an evaluation by comparing the fees payable in this case to the fees paid to other investment banking firms for comparable services in other chapter 11 cases and outside of chapter 11 cases, and shall not be evaluated primarily on the basis of time committed or the length of these cases.

39. As set forth above, notwithstanding approval of the Engagement Agreement under Bankruptcy Code section 328(a), Houlihan Lokey intends to apply for compensation for professional services rendered and reimbursement of expenses incurred in connection with these cases, subject to the Court's approval and in compliance with applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and any other applicable procedures and orders of the Court and consistent with the fee structure set forth in the Engagement Agreement.

II. Retention Pursuant to Bankruptcy Code Section 327(a) and Bankruptcy Rule 2014

40. Section 327(a) of the Bankruptcy Code provides that a debtor, subject to court approval:

> May employ one or more attorneys, accountants, appraisers, auctioneers, or other professional persons, that do not hold or represent an interest adverse to the estate, and that are disinterested persons, to represent or assist the [debtor] in carrying out the [debtor]'s duties under this title.

11 U.S.C. § 327(a).

41. Bankruptcy Rule 2014 requires that an application for retention include:

> [S]pecific facts showing the necessity for the employment, the name of the [firm] to be employed, the reasons for the selection, the professional services to be rendered, any proposed arrangement for compensation, and, to the best of the applicant's knowledge, all of the [firm's] connections with the debtor, creditors, any other party in interest, their respective attorneys and accountants, the United States trustee, or any person employed in the office of the United States trustee.

Fed. R. Bankr. P. 2014.

42. For the reasons stated previously, the Debtors submit that Houlihan Lokey's employment is necessary and in the best interests of the Debtors and their estates. Additionally, as described in the Burian Declaration, Houlihan Lokey is disinterested. Accordingly, the Debtors

submit that Court approval of Houlihan Lokey as the financial advisor and investment banker in these chapter 11 cases pursuant to section 327(a) of the Bankruptcy Code and Bankruptcy Rule 2014.

III. *Nunc Pro Tunc* Relief is Appropriate

43. Pursuant to the Debtors' request, Houlihan Lokey has acted as the Debtors' financial advisor and investment banker since the Petition Date. Moreover, Houlihan Lokey performed prepetition services with assurances that the Debtors would seek approval of its employment and retention effective *nunc pro tunc* to the Petition Date so that Houlihan Lokey may be compensated for its pre-application financial advisory and investment banking services. The Debtors believe that no party in interest will be prejudiced by granting Houlihan Lokey's *nunc pro tunc* employment, because Houlihan Lokey has provided, and continues to provide, valuable services to the Debtors' estates.

44. Courts in this district and other jurisdications have routinely approved *nunc pro tunc* employment similar to that requested herein. *See, e.g.*, *In re Windstrean Holdings, Inc.*, No. 19-22312 (RDD) (Bankr. S.D.N.Y. Apr. 22, 2019); *In re FullBeauty Brands Holdings Corp.*, No. 19-22185 (RDD) (Bankr. S.D.N.Y. Mar. 8, 2019); *In re Aegean Marine Petroleum Network Inc.*, No. 18-13374 (MEW) (Bankr. S.D.N.Y. Feb. 20, 2019); *In re Nine West Holdings, Inc.*, No. 18-10947 (SCC) (Bankr. S.D.N.Y. June 14, 2018); *In re Glob. A&T Elecs. Ltd.*, No. 17-23931 (RDD) (Bankr. S.D.N.Y. Feb. 26, 2018).

45. Based on the foregoing, the Debtors submit that the requirements of the Bankruptcy Code and the Bankruptcy Rules have been satisfied. Accordingly, the Debtors respectfully request entry of an order pursuant to section 327(a) of the Bankruptcy Code and Bankruptcy Rule 2014 approving the Debtors' application to retain and employ Houlihan Lokey to act as financial advisor and investment banker to the Debtors, effective *nunc pro tunc* to the Petition Date.

Waiver of Bankruptcy Rule 6004(a) and 6004(h)

46. To implement the foregoing successfully, the Debtors request that the Court enter an order providing that notice of the relief requested herein satisfies Bankruptcy Rule 6004(a) and that the Debtors have established cause to exclude such relief from the 14-day stay period under Bankruptcy Rule 6004(h).

Notice

47. The Debtors will provide notice of this motion to: (a) the U.S. Trustee; (b) the holders of the 50 largest unsecured claims against the Debtors (on a consolidated basis); (c) the administrative agent for the Debtors' term loan facility and counsel thereto; (d) the administrative agent for the Debtors' asset-based loan credit facility and counsel thereto; (e) the administrative agent for the Debtors' proposed debtor in possession term loan financing facility and counsel thereto; (f) the administrative agent for the Debtors' proposed debtor in possession asset-based loan credit facility and counsel thereto; (g) the United States Attorney's Office for the Southern District of New York; (h) the Internal Revenue Service; (i) the attorneys general for the states in which the Debtors operate; (j) counsel to the official committee of unsecured creditors appointed in these chapter 11 cases; and (k) any party that has requested notice pursuant to Bankruptcy Rule 2002. The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

No Prior Request

48. No prior request for the relief sought in this motion has been made to this or any other court.

WHEREFORE, the Debtors respectfully request entry of an order, substantially in the form attached hereto as **Exhibit A**, granting the relief requested herein and granting such other relief as is just and proper.

New York, New York
Dated: May 30, 2019

/s/ Marc Pfefferle
Marc Pfefferle
Hollander Sleep Products, LLC
Chief Executive Officer

Exhibit A

Proposed Order

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
HOLLANDER SLEEP PRODUCTS, LLC., *et al.*,[1]	)	Case No. 19-11608 (MEW)
Debtors.	)	(Jointly Administered)
	)	**Re: Docket No. __**

ORDER (A) AUTHORIZING THE EMPLOYMENT AND RETENTION OF HOULIHAN LOKEY CAPITAL, INC. AS FINANCIAL ADVISOR AND INVESTMENT BANKER TO THE DEBTORS *NUNC PRO TUNC* TO THE PETITION DATE, (B) APPROVING THE TERMS OF THE ENGAGEMENT AGREEMENT, (C) WAIVING CERTAIN TIME-KEEPING REQUIREMENTS, AND (D) GRANTING RELATED RELIEF

Upon the application (the "Application")[2] of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of an order (this "Order"), (a) authorizing the employment and retention of Houlihan Lokey Capital, Inc. ("Houlihan Lokey") as its financial advisor and investment banker pursuant to the terms of the Engagement Agreement dated as of May 2, 2019, a copy of which is attached hereto as **Exhibit 1** (the "Engagement Agreement"), (b) approving the provisions of the Engagement Agreement, including the proposed compensation arrangement set forth in the Application, under section 328(a) of title 11 of the United States Code (the "Bankruptcy Code"), (c) waiving certain time-keeping requirements under Bankruptcy Rule 2016(a), Local Rule 2016-1, the Amended Guidelines, and the UST Guidelines, and (d) granting related relief, all as more fully set forth in the Application; and upon the Burian Declaration; and

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors' service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

[2] Capitalized terms used but not defined herein shall have the meanings given to them in the Application.

this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and the Amended Standing Order; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found that it may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Application in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Application is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Application and opportunity for a hearing on the Application were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Application and having heard the statements in support of the relief requested therein at a hearing, if any, before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Application and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Application is granted as set forth in this Order.

2. The retention and employment of Houlihan Lokey as financial advisor and investment banker to the Debtors pursuant to sections 327 and 328(a) of the Bankruptcy Code, Bankruptcy Rules 2014(a) and 2016, and Local Rules 2014-1 and 2016-1, *nunc pro tunc* to the Petition Date, on the terms and conditions set forth in the Engagement Agreement and the Application, is approved, subject to the terms of this Order and the following modifications to the Engagement Agreement as set forth herein.

3. None of the fees payable to Houlihan Lokey, pursuant to the Engagement Agreement, shall constitute a "bonus" or fee enhancement under applicable law.

4. Houlihan Lokey shall file interim and final fee applications for allowance of compensation and reimbursement of expenses, including without limitation, any Monthly Fees and/or Transaction Fees, pursuant to sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, the *Order Establishing Procedures for Monthly Compensation and Reimbursement of Expenses of Professionals*, dated December 21, 2010 (General Order M-412), the Amended Guidelines, and any other orders of the Court; *provided, however*, that the interim and final fee applications filed by Houlihan Lokey shall be subject to review only pursuant to the standard of review set forth in section 328 of the Bankruptcy Code and not subject to the standard of review set forth in section 330 of the Bankruptcy Code, except as otherwise expressly set forth herein.

5. Notwithstanding the preceding paragraph, the U.S. Trustee and the Court shall retain the right to object to the compensation and fees and expenses to be paid to Houlihan Lokey pursuant to the Application and the Engagement Agreement, based on the reasonableness standard provided for in section 330 of the Bankruptcy Code, and the Court shall consider any such objection by the U.S. Trustee under section 330 of the Bankruptcy Code; *provided* that reasonableness for this purpose shall include, among other things, an evaluation by comparing the fees payable in this case to the fees paid to other investment banking firms for comparable services in other chapter 11 cases and outside of chapter 11 cases, and shall not be evaluated primarily on the basis of time committed or the length of these cases.

6. The Debtors are authorized to employ and retain and compensate and reimburse Houlihan Lokey pursuant to the terms of the Engagement Agreement.

7. Notwithstanding Section 18 of the Engagement Agreement, to the extent the Debtors wish to expand the scope of Houlihan Lokey's services beyond those services set forth in

the Engagement Agreement or this Order, the Debtors shall be required to seek further approval from this Court. The Debtors shall file notice of any proposed additional services and any underlying engagement agreement with the Court and serve such notice on the U.S. Trustee, any committee of unsecured creditors appointed in this case, and any party requesting notice under Bankruptcy Rule 2002. If no such party files an objection within 21 days of the Debtors filing such notice, the additional services and any underlying engagement agreement may be approved by the Court by further order without further notice or hearing.

8. Houlihan Lokey shall include in its interim and final fee applications, among other things, time records setting forth, in a summary format, a description of the services rendered by each professional, and the amount of time spent on each date by each such individual in rendering services on behalf of the Debtors in half-hour (0.5) increments, and Houlihan Lokey shall be excused from keeping time in tenth-hour increments.

9. Notwithstanding anything in the Application or the Engagement Agreement to the contrary, Houlihan Lokey shall (i) to the extent that Houlihan Lokey uses the services of independent contractors, subcontractors or employees of foreign affiliates or subsidiaries (collectively, the "Contractors") in these cases, Houlihan Lokey shall pass-through the cost of such Contractors to the Debtors at the same rate that Houlihan Lokey pays the Contractors, (ii) seek reimbursement for actual costs only, (iii) ensure that the Contractors are subject to the same conflict checks as required for Houlihan Lokey, and (iv) file with the Court such disclosures required by Bankruptcy Rule 2014.

10. In the event that, during the pendency of these cases, Houlihan Lokey seeks reimbursement for any attorneys' fees and/or expenses pursuant to the terms of the Engagement Agreement (as modified by this Order), the invoices and supporting time records from such

attorneys, appropriately redacted to preserve applicable privileges, shall be included in Houlihan Lokey's own fee applications, and such invoices and time records shall be in compliance with the Local Rules, and shall be subject to the Amended Guidelines, the UST Guidelines and the approval of the Bankruptcy Court pursuant to sections 330 and 331 of the Bankruptcy Code without regard to whether such attorneys have been retained under section 327 of the Bankruptcy Code, and without regard to whether such attorneys' services satisfy section 330(a)(3)(C) of the Bankruptcy Code.

11. The Debtors shall be bound by the indemnification, reimbursement, contribution, and exculpation provisions set forth in the Engagement Agreement, subject during the pendency of these cases to the following:

a. subject to the provisions of subparagraphs (b) and (c) below, the Debtors are authorized to indemnify, and shall indemnify, Houlihan Lokey and the other Indemnified Parties for any claims arising out of or related to Houlihan Lokey's engagement under, or any matter referred to in, the Engagement Agreement and/or the services to be provided by Houlihan Lokey as specified in the Application, but not for any claim arising from, related to, or in connection with Houlihan Lokey's postpetition performance of any other services other than those in connection with the engagement, unless such postpetition services and indemnification therefor are approved by this Court;

b. the Debtors shall have no obligation to indemnify Houlihan Lokey for any claim or expense that is either (i) judicially determined (the determination having become final) to have resulted primarily from Houlihan Lokey's actual fraud, gross negligence, bad faith, breach of fiduciary duty (if any), self dealing, or willful misconduct, or (ii) settled prior to a judicial determination as to Houlihan Lokey's actual fraud, gross negligence, bad faith, breach of fiduciary duty (if any), self dealing, or willful misconduct, but determined by this Court, after notice and a hearing pursuant to subparagraph (c) infra, to be a claim or expense for which Houlihan Lokey is not entitled to receive indemnity under the terms of the Engagement Agreement as modified by this Order; and

c. if, before the earlier of (i) the entry of an order confirming a chapter 11 plan in these cases (that order having become a final order no longer subject to appeal), and (ii) the entry of an order closing these chapter 11 cases, any Indemnified Party believes that it is entitled to the payment of any amounts

> by the Debtors on account of the Debtors' indemnification, reimbursement, and/or contribution obligations under the Engagement Agreement (as modified by this Order), including, without limitation, the advancement of defense costs, such Indemnified Party must file an application therefor in this Court, and the Debtors may not pay any such amounts to Houlihan Lokey before the entry of an order by this Court approving the payment. This subparagraph (c) is intended only to specify the period of time under which the Court shall have jurisdiction over any request for fees and expenses by Indemnified Parties for indemnification, contribution, or reimbursement, and not as a provision limiting the duration of the Debtors' obligation to indemnify or provide contribution or reimbursement to Houlihan Lokey.

12. Houlihan Lokey shall be compensated in accordance with the procedures set forth in the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, this Order, and any other applicable orders of this Court.

13. Houlihan Lokey shall use its best efforts, and will coordinate with the Debtors and its other retained professionals, not to duplicate any of the services provided to the Debtors by any of its other retained professionals.

14. To the extent that there may be any inconsistency between the terms of the Application, the Burian Declaration, the Engagement Agreement, and this Order, the terms of this Order shall govern.

15. Notice of the Application as provided therein shall be deemed good and sufficient notice of such Application and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

16. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon its entry.

17. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Application.

18. This Court retains jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

New York, New York
Dated: _____, 2019

UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

Engagement Agreement

HOULIHAN LOKEY

Personal and Confidential

As of May 02, 2019

Hollander Sleep Products, LLC
6501 Congress Avenue Suite 300
Boca Raton, FL 33487
Attn: Marc Pfefferle

Dear Ladies and Gentlemen:

This letter agreement (this "Agreement") confirms the terms under which Dream II Holdings, LLC, Hollander Sleep Products, LLC, Hollander Home Fashions Holdings, LLC, Hollander Sleep Products Kentucky, LLC, Pacific Coast Feather, LLC, Pacific Cost Feather Cushion, LLC and Hollander Sleep Products Canada Limited, (collectively with their direct and indirect subsidiaries, the "Company") has engaged Houlihan Lokey Capital, Inc. ("Houlihan Lokey"), effective as of the date indicated above (the "Effective Date"), as its financial advisor to provide financial advisory and investment banking services in connection with a financial restructuring or reorganization of, and/or one or more sale transactions, and/or one or more financing transactions for, the Company, as well as such other financial matters as to which the Company and Houlihan Lokey may agree in writing during the term of this Agreement.

1. **Services**. In connection with each potential Transaction (as defined below), Houlihan Lokey will assist and advise the Company with the analysis, evaluation, pursuit and effectuation of any such Transaction. Houlihan Lokey's services will consist of, if appropriate and if requested by the Company, (i) assisting the Company in the development and distribution of selected information, documents and other materials, including, if appropriate, advising the Company in the preparation of an offering memorandum (it being expressly understood that the Company will remain solely responsible for such materials and all of the information contained therein); (ii) assisting the Company in evaluating indications of interest and proposals regarding any Transaction(s) from current and/or potential lenders, equity investors, acquirers and/or strategic partners; (iii) assisting the Company with the negotiation of any Transaction(s), including participating in negotiations with creditors and other parties involved in any Transaction(s); (iv) providing expert advice and testimony regarding financial matters related to any Transaction(s), if necessary; (v) attending meetings of the Company's Board of Directors, creditor groups, official constituencies and other interested parties, as the Company and Houlihan Lokey mutually agree; and (vi) providing such other financial advisory and investment banking services as may be required by additional issues and developments not anticipated on the Effective Date, as described in Section 10 of this Agreement.

2. **Exclusive Agency.** The Company agrees that neither it nor its management will initiate any discussions regarding a Transaction during the term of this Agreement, except with prior consultation with Houlihan Lokey. In the event the Company or its management receives any inquiry regarding a Transaction from any party, the Company shall promptly inform Houlihan Lokey of such inquiry so that Houlihan Lokey can assist the Company in evaluating such party and its interest in a Transaction and in any resulting negotiations.

3. **Fees.** In consideration of Houlihan Lokey's acceptance of this engagement, the Company shall pay the following:

(i) *Monthly Fees*: In addition to the other fees provided for herein, upon the Effective Date, and on every monthly anniversary of the Effective Date during the term of this Agreement, the Company shall pay Houlihan Lokey in advance, without notice or invoice, a nonrefundable cash fee of $100,000 ("Monthly Fee") for a minimum of four months from the Effective Date (collectively, the "Minimum Monthly Fees"). Each Monthly Fee shall be earned upon Houlihan Lokey's receipt thereof in consideration of Houlihan Lokey accepting this engagement and performing services as described herein. If this Agreement is terminated before the end of fourth month from the Effective Date, the Company hereby agrees to pay to Houlihan Lokey, on the effective date of such termination, the unpaid amount of the Minimum Monthly Fees.

(ii) *Transaction Fee(s)*: In addition to the other fees provided for herein, the Company shall pay Houlihan Lokey the following transaction fee(s):

a. *Restructuring Transaction Fee.* Upon the earlier to occur of: (I) in the case of an out-of-court Restructuring Transaction (as defined herein), the closing of such Restructuring Transaction; and (II) in the case of an in-court Restructuring Transaction, the date of confirmation of a plan of reorganization or liquidation under Chapter 11 of the Bankruptcy Code (as defined below) pursuant to an order of the applicable bankruptcy court, Houlihan Lokey shall earn, and the Company shall promptly pay to Houlihan Lokey, a cash fee ("Restructuring Transaction Fee") of $1,000,000; provided that, in the event that one or more Sale Transactions (as defined below) have occurred prior to the consummation of a Restructuring Transaction and the Restructuring Transaction consists of a plan or other reorganization concerning the remaining assets of the Company versus merely a liquidation and distribution of the relevant sale proceeds to creditors, the Restructuring Transaction Fee shall be reduced to the applicable multiple transaction fee as described in section 3(ii)(c);

b. *Sale Transaction Fee.* Upon the closing of a Sale Transaction (as defined herein), Houlihan Lokey shall earn, and the Company shall thereupon pay immediately and directly from the gross proceeds of such Sale Transaction, as a cost of such Sale Transaction, a cash fee ("Sale Transaction Fee") of $1,000,000 plus 3.0% of the combined AGC (as defined herein) above a threshold to be agreed upon in good faith by Houlihan Lokey and Barings, as agent for the Term Loan or by the Bankruptcy Court (for all consummated Sale Transactions and all asset sales by third party liquidators or other similar asset disposition specialist), and 5.0% of the combined AGC in excess of a higher threshold to be agreed upon in good faith by Houlihan Lokey and Barings, as agent for the Term Loan or by the Bankruptcy Court (for all consummated Sale Transactions and all asset sales by third party liquidators or other similar asset disposition specialist);

c. *Subsequent Sale Transaction Fee.* If multiple Sale Transactions are consummated under the term of this Agreement, or one Sale Transaction followed by consummation of a plan

of reorganization or liquidation, for each additional Sale Transaction, Houlihan Lokey shall earn, and the Company shall thereupon pay immediately and directly from the gross proceeds of such Sale Transaction, as a cost of such Sale Transaction, a cash fee (each being a "Subsequent Sale Transaction Fee") of:

i. $350,000 for the first subsequent Sale Transaction;

ii. $300,000 for the second subsequent Sale Transaction; and

iii. $250,000 for any subsequent Sale Transaction thereafter

Provided that under no circumstance will any Subsequent Sale Transaction Fee represent more than 10% of the AGC (as defined herein) of such subsequent Sale Transaction. The delta between the actual subsequent Sale Transaction Fee and the respective Sale Transaction Fee determined pursuant to Section 3 (c) (i), (ii), and (iii), above shall be added to the next subsequent Sale Transaction fee in Section 3 (c), if any;

d. *Financing Transaction Fee.* Upon the closing of each Financing Transaction (as defined herein), Houlihan Lokey shall earn, and the Company shall thereupon pay immediately and directly from the gross proceeds of such Financing Transaction, as a cost of such Financing Transaction, a cash fee ("Financing Transaction Fee") equal to the sum of: (I) 1.5% of the gross proceeds of any indebtedness raised or committed that is senior to other indebtedness of the Company, secured by a first priority lien and unsubordinated, with respect to both lien priority and payment, to any other obligations of the Company (other than with respect to debtor-in-possession financing); (II) 3.0% of the gross proceeds of any indebtedness raised or committed that is secured by a lien (other than a first lien), is unsecured and/or is subordinated; and (III) 5.0% of the gross proceeds of all equity or equity-linked securities (including, without limitation, convertible securities and preferred stock) placed or committed. Any warrants issued in connection with the raising of debt or equity capital shall, upon the exercise thereof, be considered equity for the purpose of calculating the Financing Transaction Fee, and such portion of the Financing Transaction Fee shall be paid upon such exercise and from the gross proceeds thereof, regardless of any prior termination or expiration of this Agreement. It is understood and agreed that if the proceeds of any such Financing Transaction are to be funded in more than one stage, Houlihan Lokey shall be entitled to its applicable compensation hereunder upon the closing date of each stage. The Financing Transaction Fee(s) shall be payable in respect of any sale of securities whether such sale has been arranged by Houlihan Lokey, by another agent (or other issuer of the Securities (as defined below) in such Financing Transaction) or directly by the Company. Any non-cash consideration provided to or received in connection with the Financing Transaction (including but not limited to intellectual or intangible property) shall be valued for purposes of calculating the Financing Transaction Fee as equaling the number of Securities issued in exchange for such consideration multiplied by (in the case of debt securities) the face value of each such Security or (in the case of equity securities) the price per Security paid in the then current round of financing. The fees set forth herein shall be in addition to any other fees that the Company may be required to pay to any investor or other purchaser of Securities to secure its financing commitment.

Any Restructuring Transaction Fee, Sale Transaction Fee, Subsequent Sale Transaction Fee, and Financing Transaction Fee is each referred to herein as a "Transaction Fee" and are collectively referred to

herein as "Transaction Fees." All payments received by Houlihan Lokey pursuant to this Agreement at any time shall become the property of Houlihan Lokey without restriction. No payments received by Houlihan Lokey pursuant to this Agreement will be put into a trust or other segregated account.

4. **Term and Termination.** This Agreement may be terminated at any time by either party upon thirty days' prior written notice of termination to the other party. The expiration or termination of this Agreement shall not affect (i) any provision of this Agreement other than Sections 1 through 3 and (ii) Houlihan Lokey's right to receive, and the Company's obligation to pay, any and all fees, expenses, and other amounts due, as set forth herein, whether or not any Transaction shall be consummated prior to or subsequent to the effective date of expiration or termination, as more fully set forth in this Agreement.

In addition, notwithstanding the expiration or termination of this Agreement, Houlihan Lokey shall be entitled to full payment by the Company of the Transaction Fees described in this Agreement: (i) so long as a Transaction is consummated during the term of this Agreement, or within 12 months after the date of expiration or termination of this Agreement ("Tail Period"), and/or (ii) if an agreement in principle to consummate a Transaction is executed by any entity comprising the Company during the term of this Agreement, or within the Tail Period, and such Transaction is consummated at any time following such execution with the counterparty named in such agreement, or with any affiliate or employee of, or investor in, such counterparty, or any affiliate of any of the foregoing.

5. **Agreement from Secured Lenders.** Houlihan Lokey's obligations to provide the services described herein are contingent upon, and expressly subject to, the execution of a waiver, subordination or similar agreement, in form and substance satisfactory to Houlihan Lokey, pursuant to which the Company's senior secured lenders consent to the performance of the Company's obligations under this Agreement, including, without limitation, the Company's payment of Houlihan Lokey's fees and expenses, herein , as a cost of any Transaction and free and clear of such lenders' security interests in the Company's assets.

6. **Transaction.** As used in this Agreement, the term "Transaction" shall mean any of the following:

(i) *Restructuring Transaction*. The consummation of any plan of reorganization or, following a Sale Transaction, plan of liquidation under the Bankruptcy Code, or any transaction or series of transactions that constitute a recapitalization, or restructuring of the equity and/or debt securities and/or other indebtedness, obligations or liabilities (including, without limitation, preferred stock, partnership interests, lease obligations, trade credit facilities, collective bargaining agreements and other contract or tort obligations) of any entity comprising the Company, including accrued and/or accreted interest thereon, which are outstanding as of the Effective Date, including, without limitation, interest bearing trade debt and the Company's Third Amended and Restated Credit Agreement dated as of June 9, 2017 (as amended, supplemented or otherwise modified from time to time) and the Company's Term Loan Credit Agreement dated as of June 9, 2017 (as amended, supplemented or otherwise modified from time to time), which recapitalization or restructuring is effected pursuant to an exchange transaction, tender offer, a plan of reorganization or liquidation under the Bankruptcy Code, a solicitation of consents, waivers, acceptances or authorizations, any change of control transaction, any refinancing, sale, acquisition, merger, repurchase, exchange, conversion to equity, cancellation, forgiveness, retirement and/or a modification or amendment to the terms, conditions, or covenants (including, without limitation, the principal balance, accrued or accreted interest, payment term, other debt service requirement and/or financial or operating covenant) of any agreements or instruments governing any of the equity and/or debt securities and/or other indebtedness of any entity comprising the Company (such modification or amendment shall include, without limitation, any forbearance for at least 12 months with

respect to any payment obligation) or any combination of the foregoing transactions (each a "Restructuring Transaction");

(ii) *Sale Transaction*. Any transaction or series of related transactions that constitute the disposition to one or more third parties (including, without limitation, any person, group of persons, partnership, corporation or other entity, and also including, among others, any of the existing owners, shareholders, employees, or creditors of any entity comprising the Company and/or the affiliates of each) in one or a series of related transactions of (a) a material portion of the equity securities of any entity comprising the Company or any interest held by any entity comprising the Company and/or (b) any material portion of the assets (including the assignment of any executory contracts) or operations of any entity comprising the Company or any joint venture or partnership or other entity formed by it, in either case, including, without limitation, through a sale or exchange of capital stock, options or assets with or without a purchase option, a merger, consolidation or other business combination, an exchange or tender offer, a recapitalization, the formation of a joint venture, partnership or similar entity, or any similar transaction, including, without limitation, any sale transaction under Sections 363, 1129 or any other provision of Title 11, United States Code (11 U.S.C. §§ 101 et seq.) (the "Bankruptcy Code") (each a "Sale Transaction"); provided, that notwithstanding the foregoing, the sale of *de minimis* assets under which the Company has engaged a third party liquidator or other similar asset disposition specialist (as agreed to in good faith by the Company and Houlihan Lokey) shall not constitute a Sale Transaction; or

(iii) *Financing Transaction.* (a) Any transaction or series of related transactions that constitutes any refinancing of all or any portion of the existing obligations of any entity comprising the Company and/or (b) the placement, raising or issuance of any form of equity, equity-linked or debt securities (including, without limitation, any convertible securities, preferred stock, unsecured, non-senior or subordinated debt securities, and/or senior notes or bank debt) or any loan or other financing, including any "debtor in possession financing" or "exit financing" in connection with a case under the Bankruptcy Code by any entity comprising the Company (any or all of which being "Securities"), from any source excluding, any of the existing owners, shareholders, employees, or lenders, including any successors thereto, of any entity comprising the Company (whether or not such transaction is effectuated in-court, out-of-court, through the confirmation of a plan of reorganization or otherwise under the Bankruptcy Code, or whether the requisite consents to such transaction(s) are obtained in-court or out-of-court) (each a "Financing Transaction").

7. **Aggregate Gross Consideration ("AGC").** For the purpose of calculating the Sale Transaction Fee and Subsequent Transaction Fees, the AGC shall be the gross proceeds and other consideration paid to, or received by, or to be paid to or received by, any entity comprising the Company, or any of its equity or debt holders, or other parties in interest, including, without limitation, holders of warrants and convertible securities, and holders of options or stock appreciation rights, whether or not vested (collectively "Constituents"), in connection with the relevant Sale Transaction, or any asset sales by third party liquidators or other similar asset disposition specialist. Such proceeds and consideration shall be deemed to include, without limitation: amounts in escrow and any deposits or other amounts forfeited by any investor; cash, notes, securities, and other property; payments made in installments; Contingent Payments (as defined below) and/or insurance proceeds upon the occurrence of an insurable event that diminishes the value of the Company. Upon the closing of a Sale Transaction in which less than 100% of the ownership of the equity interests are sold, the AGC shall be calculated as if 100% of the ownership of the equity interests of the Company on a fully diluted basis had been sold by dividing (i) the total consideration, whether in cash, securities, notes or other forms of consideration, received or receivable by the Company and/or its Constituents by (ii) the percentage of ownership which is sold. If, in the Sale Transaction, no consideration

is being paid in respect of the existing equity, AGC of the retained equity shall be determined by the good faith agreement of the parties as to the value of such retained equity implied by the Sale Transaction. In addition, if any of the liabilities of any entity comprising the Company are assumed, decreased, reinstated, satisfied or otherwise paid off in conjunction with a Sale Transaction (by any entity comprising the Company or any investor, in the form of "cure" payments or otherwise), or any of the assets of any entity comprising the Company are sold or otherwise transferred outside of the Company's ordinary course of business to another party prior to the closing of a Sale Transaction (including, without limitation, any dividends or distributions paid to security holders or amounts paid to repurchase any securities) or are retained by any entity comprising the Company after the closing of the Sale Transaction, the AGC will be increased to reflect the face value of any such liabilities and the fair market value of any such assets. Contingent Payments shall be defined as the consideration received or receivable by the Company, or any of its Constituents and/or any other parties in the form of deferred performance-based payments, "earn-outs", or other contingent payments based upon the future performance of any entity comprising the Company, or any of its businesses or assets.

8. **Value of Consideration.** For the purpose of calculating the AGC received in a Sale Transaction, any securities, other than a promissory note, will be valued at the time of the closing of the Sale Transaction, without regard to any restrictions on transferability, as follows: (i) if such securities are traded on a stock exchange, the securities will be valued at the average last sale or closing price for the ten trading days immediately prior to the closing of the Sale Transaction; (ii) if such securities are traded primarily in over-the-counter transactions, the securities will be valued at the mean of the closing bid and asked quotations similarly averaged over a ten trading day period immediately prior to the closing of the Sale Transaction; and (iii) if such securities have not been traded prior to the closing of the Sale Transaction, Houlihan Lokey and the Company shall negotiate in good faith to agree on a fair valuation thereof, without regard to any restrictions on transferability, for the purposes of calculating the AGC. For any lease payments and other consideration that is not freely tradable or has no established public market, if the consideration utilized consists of property other than securities, then the value of such property shall be the fair market value thereof as determined in good faith by Houlihan Lokey and the Company. If any consideration to be paid is computed in any foreign currency, the value of such foreign currency shall, for purposes hereof, be converted into U.S. dollars at the prevailing exchange rate on the date or dates on which such consideration is payable. The value of any purchase money or other promissory notes shall be deemed to be the face amount thereof. In the event the AGC includes any Contingent Payments, Houlihan Lokey's Transaction Fee shall be calculated based on the mutually agreed value of such Contingent Payments as of closing. If the parties cannot reach such an agreement, an additional Sale Transaction Fee shall be paid to Houlihan Lokey from, and on account of, such Contingent Payments at the same time that each of such Contingent Payments are received regardless of any prior termination or expiration of this Agreement. Each such additional Sale Transaction Fee shall be calculated pursuant to the provisions of this Agreement based upon the amount of each such Contingent Payment.

9. **Characterization of Multiple and/or Complex Transactions.** In the event the Company and Houlihan Lokey are unable to agree in good faith upon the classification of any single Transaction as a Restructuring Transaction, Sale Transaction or Financing Transaction, or if a single Transaction with only one third party shall consist of two, or more, of the foregoing types of Transactions, or elements thereof, Houlihan Lokey shall receive only one Transaction Fee in respect of such Transaction, which shall be equal to the greater of the Restructuring Transaction Fee, Sale Transaction Fee or Financing Transaction Fee, as applicable, as calculated in accordance with the terms of this Agreement. For the avoidance of doubt, if two or more single Transactions occur simultaneously or at different times, whether or not they are connected with or related to one another, the Company shall pay Houlihan Lokey the Transaction Fee for each such Transaction in addition to, and not in lieu of, each other.

10. **Reasonableness of Fees.** The parties acknowledge that this engagement will require a substantial professional commitment of time and effort by Houlihan Lokey. Moreover, the amount of time and effort may vary substantially during different periods of the engagement. As a result, in order to ensure the availability of all necessary professional resources, whenever required, Houlihan Lokey may be foreclosed from pursuing other alternative engagement opportunities. In light of the foregoing, and given: (i) the numerous issues which can currently be anticipated in engagements such as this, (ii) Houlihan Lokey's commitment to the variable level of time and effort necessary to address such issues, (iii) the expertise and capabilities of Houlihan Lokey that will be required in this engagement, and (iv) the market rate for Houlihan Lokey's services of this nature, whether in-court or out-of-court, the parties agree that the fee arrangement provided for herein is reasonable, fairly compensates Houlihan Lokey, and provides the requisite certainty to the Company. The parties further agree and acknowledge that: (a) additional issues and developments, not currently anticipated, may arise and have an impact upon the services to be rendered by Houlihan Lokey hereunder, and may result in substantially more work and/or services being performed by Houlihan Lokey than is anticipated at this time; and (b) as a result of such unanticipated issues and/or developments, the results of Houlihan Lokey's services under this Agreement may also be substantially more beneficial than anticipated at this time. Accordingly, in the event of the occurrence of (a) and/or (b), in the prior sentence, each of the parties to this Agreement may, at the conclusion of the services rendered by Houlihan Lokey pursuant hereto, agree to a modification of the Transaction Fees described herein to more appropriately reflect the actual work performed, services rendered and/or any extraordinary results achieved by Houlihan Lokey pursuant to its engagement hereunder.

11. **Expenses.** In addition to all of the other fees and expenses described in this Agreement, and regardless of whether any Transaction is consummated, the Company shall, upon Houlihan Lokey's request, reimburse Houlihan Lokey for its reasonable and documented out-of-pocket expenses incurred from time to time in connection with its services hereunder. Houlihan Lokey bills its clients for its reasonable out-of-pocket expenses including, but not limited to (i) travel-related and certain other expenses, without regard to volume-based or similar credits or rebates Houlihan Lokey may receive from, or fixed-fee arrangements made with, travel agents, airlines or other vendors, and (ii) research, database and similar information charges paid to third party vendors, and reprographics expenses, to perform client-related services that are not capable of being identified with, or charged to, a particular client or engagement in a reasonably practicable manner, based upon a uniformly applied monthly assessment or percentage of the fees due to Houlihan Lokey.

Houlihan Lokey shall, in addition, be reimbursed by the Company for the reasonable and documented fees and expenses of Houlihan Lokey's legal counsel incurred in connection with the negotiation and performance of this Agreement and the matters contemplated hereby.

12. **Invoicing and Payment.** All amounts payable to Houlihan Lokey shall be made in lawful money of the United States in accordance with the payment instructions set forth on the invoice provided with this Agreement, or to such accounts as Houlihan Lokey shall direct, and the Company shall provide contemporaneous written notice of each such payment to Houlihan Lokey. All amounts invoiced by Houlihan Lokey shall be exclusive of value added tax, withholding tax, sales tax and any other similar taxes ("Taxes"). All amounts charged by Houlihan Lokey will be invoiced together with Taxes where appropriate.

13. **Information.** The Company will provide Houlihan Lokey with access to management and other representatives of the Company and other participants in any Transaction, as reasonably requested by Houlihan Lokey. The Company will furnish Houlihan Lokey with such information as Houlihan Lokey may reasonably request for the purpose of carrying out its engagement hereunder, all of which will be, to the Company's best knowledge, accurate and complete at the time furnished. In addition, with respect to financial forecasts and projections that may be furnished to or discussed with Houlihan Lokey by the

Company or any other entity, Houlihan Lokey will be entitled to assume that such financial forecasts and projections have been or will be reasonably prepared in good faith on bases reflecting the best currently available estimates and judgments of the Company's or such other entity's management, as the case may be, as to the matters covered thereby. The Company will promptly notify Houlihan Lokey in writing of any material inaccuracy or misstatement in, or material omission from, any information previously delivered to, or discussed with, Houlihan Lokey, or any materials provided to any interested party. Houlihan Lokey shall rely, without independent verification, on the accuracy and completeness of all information that is publicly available and of all information furnished by or on behalf of the Company or any other potential party to any Transaction or otherwise reviewed by, or discussed with, Houlihan Lokey. The Company understands and agrees that Houlihan Lokey will not be responsible for the accuracy or completeness of such information, and shall not be liable for any inaccuracies or omissions therein. The Company acknowledges that Houlihan Lokey has no obligation to conduct any appraisal of any assets or liabilities of the Company or any other party or to evaluate the solvency of any party under any applicable laws relating to bankruptcy, insolvency or similar matters. Houlihan Lokey's role in reviewing any information is limited solely to performing such a review as it shall deem necessary to support its own advice and analysis and shall not be on behalf of any other party. Any advice (whether written or oral) rendered by Houlihan Lokey pursuant to this Agreement is intended solely for the use of the Board of Directors of the Company (solely in its capacity as such) in evaluating a Transaction, and such advice may not be relied upon by any other person or entity or used for any other purpose. Any advice rendered by, or other materials prepared by, or any communication from, Houlihan Lokey may not be disclosed, in whole or in part, to any third party, or summarized, quoted from, or otherwise referred to in any manner without the prior written consent of Houlihan Lokey. In addition, neither Houlihan Lokey nor the terms of this Agreement may otherwise be referred to without our prior written consent=.

14. **Confidential Information.** Houlihan Lokey acknowledges that, in connection with the services to be provided pursuant to this Agreement, certain confidential, non-public and proprietary information concerning the Company and the Transaction ("Confidential Information") has been or may be disclosed by the Company to Houlihan Lokey, any of its affiliates, or any of their respective agents, advisors, accountants, attorneys, employees, subcontractors, officers, directors and other representatives (collectively, "Representatives"). Houlihan Lokey agrees that, without the Company's prior consent, no Confidential Information will be disclosed, in whole or in part, to any other party (other than to any potential party to a Transaction under appropriate assurances of confidentiality, to those Representatives who need access to any Confidential Information for purposes of performing the services to be provided hereunder, or as may be required by law or regulatory authority). The term "Confidential Information" does not include any information: (a) that was already in the possession of Houlihan Lokey or any of its Representatives, or that was available to Houlihan Lokey or any of its Representatives on a non-confidential basis, prior to the time of disclosure to Houlihan Lokey or such Representatives; (b) obtained by Houlihan Lokey or any of its Representatives from a third party which, insofar as is known to Houlihan Lokey or such Representatives, is not subject to any prohibition against disclosure; (c) which was or is independently developed by Houlihan Lokey or any of its Representatives without violating any confidentiality obligations under this paragraph; or (d) which was or becomes generally available to the public through no fault of Houlihan Lokey. If Houlihan Lokey becomes required by legal process or requested by regulatory authority to disclose any Confidential Information, prompt notice thereof (to the extent legally permissible) shall be given to the Company (provided that no notification shall be required in respect of any disclosure to regulatory authorities having jurisdiction over Houlihan Lokey), and Houlihan Lokey may disclose only that information which its counsel advises it is compelled to disclose. The obligations set forth in this paragraph shall remain in effect for a period of one year after the Effective Date.

15. **Additional Provisions Regarding Financing Transaction.** The Company authorizes Houlihan Lokey to provide an information memorandum (or similar document) (as such document may be amended or supplemented and including any information incorporated therein by reference, the "Information

Memorandum") and other pertinent information to prospective investors and other purchasers which are approved by the Company and subject to execution by each such prospective investor or other purchaser of a confidentiality agreement and agrees not to transmit the Information Memorandum to prospective investors or other purchasers without Houlihan Lokey's prior approval. The Company will be solely responsible for the contents of the Information Memorandum and any and all other written or oral communications provided by or on behalf of the Company to any actual or prospective investor or other purchaser. The Company represents and warrants that the Information Memorandum and such other communications will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. If an event occurs as a result of which the Information Memorandum (as then supplemented or amended) would include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, the Company will promptly notify Houlihan Lokey of such event and Houlihan Lokey will suspend solicitations of prospective investors and other purchasers until such time as the Company prepares (and the Company agrees that, if the solicitation of prospective investors and other purchasers has been so suspended after the Company has accepted orders from prospective investors or other purchasers, the Company will promptly prepare) a supplement or amendment to the Information Memorandum which corrects such statement(s) or omission(s). The Company will (i) make available to each bona fide offeree of the Securities such information (in addition to that contained in the Information Memorandum) concerning the offering of the Securities, the Company and any other relevant matters, and (ii) provide each bona fide offeree the opportunity to ask questions of, and receive answers from, the officers and employees of the Company concerning the terms and conditions of the offering of the Securities.

The Company acknowledges that closing of a Financing Transaction is subject, among other factors, to acceptable documentation, market conditions, and satisfaction of the conditions set forth in one or more agreements to be entered into with any financier, lender, investor or other purchaser of Securities. It is expressly understood that this engagement does not constitute any commitment, express or implied, on the part of Houlihan Lokey to acquire, and does not ensure the successful placement of, any portion of the Securities. The Company further acknowledges and agrees that Houlihan Lokey is not acting as an underwriter of the Securities and shall have no responsibility or obligation to underwrite the Securities.

In connection with all offers and sales of the Securities, the Company will cause to be addressed and delivered to Houlihan Lokey a written opinion of Company counsel acceptable to Houlihan Lokey containing (i) an opinion to the effect that the placement of Securities was exempt from registration under the Securities Act of 1933, as amended (the "Act"), and (ii) any other opinions of counsel that have been provided to investors or other purchasers of the Securities or which Houlihan Lokey may reasonably request. The Company also will cause to be furnished to Houlihan Lokey at or after each closing of a sale of Securities copies (addressed to Houlihan Lokey, if requested and as appropriate) of such agreements, opinions, certificates and other documents (including, without limitation, accountant's letters) as Houlihan Lokey may reasonably request. The Company hereby acknowledges and agrees that Houlihan Lokey shall be entitled to rely upon the representations and warranties made (whether pursuant to a subscription agreement or in any other format) to investors or other purchasers of Securities and the Company shall be deemed to have made such representations and warranties to and for the benefit of Houlihan Lokey.

It is understood that the offer and sale of the Securities in a Financing Transaction will be exempt from the registration requirements of the Act, pursuant to Section 4(a)(2) thereof. The Company has not taken, and will not take, any action, directly or indirectly, so as to cause the transactions contemplated by this Agreement to fail to be entitled to exemption under Section 4(a)(2) of the Act. The Company will promptly from time to time take such reasonable action as necessary to qualify the Securities as a private placement under the securities laws of such States and foreign jurisdictions as any prospective investor or

other purchaser may reasonably request and will comply with applicable laws. The Company shall cause the issuer of the Securities to offer and sell the Securities only to investors and other purchasers of the Securities that they reasonably believe to be "accredited investors", as defined in Rule 501 of Regulation D under the Act. The Company will cause the issuer of the Securities to file in a timely manner with the Securities and Exchange Commission (the "SEC") and/or each other regulatory authority any notices or other filings with respect to the Securities required by Rule 503 of Regulation D under the Act and/or other applicable law or regulation and will upon request furnish to Houlihan Lokey a signed copy of each such notice or filing promptly after its submission.

16. **Limitations on Services as Advisor.** Houlihan Lokey's services are limited to those specifically provided in this Agreement, or subsequently agreed upon in writing by the parties hereto. Houlihan Lokey shall have no obligation or responsibility for any other services including, without limitation, any crisis management or business consulting services related to, among other things, the implementation of any operational, organizational, administrative, cash management, or similar activities. The parties understand that Houlihan Lokey is being engaged hereunder as an independent contractor to provide the services hereunder solely to the Company, and that Houlihan Lokey is not acting as an agent or fiduciary of the Company, its security holders or creditors or any other person or entity in connection with this engagement, and the Company agrees that it shall not make, and hereby waives, any claim based on an assertion of such an agency or fiduciary relationship. In performing its services pursuant to this Agreement, Houlihan Lokey is not assuming any responsibility for the Company's decision on whether to pursue, endorse or support any business strategy, or to effect, or not to effect, any Transaction(s), which decision shall be made by the Company in its sole discretion. Any duties of Houlihan Lokey arising by reason of this Agreement or as a result of the services to be rendered by Houlihan Lokey hereunder will be owed solely to the Company.

17. **Bankruptcy Court Approval.** In the event that the Company is or becomes a debtor under Chapter 11 of the Bankruptcy Code, whether voluntarily or involuntarily, the Company shall seek an order authorizing the employment of Houlihan Lokey pursuant to the terms of this Agreement, as a professional person pursuant to, and subject to the standard of review of, Section 328(a) of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and applicable local rules and orders and not subject to any other standard of review under Section 330 of the Bankruptcy Code. In so agreeing to seek Houlihan Lokey's retention under Section 328(a) of the Bankruptcy Code, the Company acknowledges that it believes that Houlihan Lokey's general restructuring experience and expertise, its knowledge of the capital markets and its merger and acquisition capabilities will inure to the benefit of the Company in pursuing any Transaction, that the value to the Company of Houlihan Lokey's services derives in substantial part from that expertise and experience and that, accordingly, the structure and amount of the contingent Transaction Fee(s) is reasonable regardless of the number of hours to be expended by Houlihan Lokey's professionals in the performance of the services to be provided hereunder. The Company shall submit Houlihan Lokey's employment application as soon as practicable following the Company's filing of a voluntary Chapter 11 case, or the entry of an order for relief in any involuntary case filed against the Company, and use its best efforts to cause such application to be considered on the most expedited basis. The employment application and the proposed order authorizing employment of Houlihan Lokey shall be provided to Houlihan Lokey as much in advance of any Chapter 11 filing as is practicable, and must be acceptable to Houlihan Lokey in its sole discretion. Following entry of the order authorizing the employment of Houlihan Lokey, the Company shall pay all fees and expenses due pursuant to this Agreement, as approved by the court having jurisdiction of the bankruptcy case involving the Company (the "Bankruptcy Court"), as promptly as possible in accordance with the terms of this Agreement and the order of such Bankruptcy Court, the Bankruptcy Code, the Bankruptcy Rules and applicable local rules and orders, and will work with Houlihan Lokey to promptly file any and all necessary applications regarding such fees and expenses with the Bankruptcy Court. Houlihan Lokey shall have no obligation to provide services under this Agreement in the event that the Company becomes a debtor under the Bankruptcy Code unless Houlihan Lokey's retention under this Agreement is approved under Section 328(a) of the

Bankruptcy Code by final order of the Bankruptcy Court no longer subject to appeal, rehearing, reconsideration or petition for certiorari, and which is acceptable to Houlihan Lokey in all respects. If the order authorizing the employment of Houlihan Lokey is not obtained, or is later reversed or set aside for any reason, Houlihan Lokey may terminate this Agreement, and the Company shall reimburse Houlihan Lokey for all fees and expenses reasonably incurred prior to the date of expiration or termination, subject to the requirements of the Bankruptcy Code, Bankruptcy Rules and applicable local rules and orders. Prior to commencing a Chapter 11 case, the Company shall pay all amounts due and payable to Houlihan Lokey in cash. The terms of this Section are solely for the benefit of Houlihan Lokey, and may be waived, in whole or in part, only by Houlihan Lokey.

18. **Additional Services.** To the extent Houlihan Lokey is requested by the Company to perform any financial advisory or investment banking services which are not within the scope of this engagement (such as rendering a fairness opinion), the Company shall pay Houlihan Lokey such fees as shall be mutually agreed upon by the parties hereto in writing, in advance, depending on the level and type of services required, and shall be in addition to the fees and expenses described hereinabove.

19. **Required Services.** If Houlihan Lokey is required to render services not described herein, but which relate directly or indirectly to the subject matter of this Agreement (including, but not limited to, producing documents, answering interrogatories, attending depositions, giving expert or other testimony, whether by subpoena, court process or order, or otherwise), the Company shall pay Houlihan Lokey additional fees to be mutually agreed upon for such services, plus reasonable and documented related out-of-pocket costs and expenses, including, among other things, the reasonable and documented legal fees and expenses of Houlihan Lokey's counsel in connection therewith.

20. **Credit.** After the announcement or closing of any Transaction, Houlihan Lokey may, at its own expense, place announcements on its corporate website and in financial and other newspapers and periodicals (such as a customary "tombstone" advertisement, including the Company's logo or other identifying marks) describing its services in connection therewith. Furthermore, if requested by Houlihan Lokey, the Company agrees that in any press release announcing any Transaction, the Company will include in such press release a mutually acceptable reference to Houlihan Lokey's role as financial advisor to the Company with respect to such Transaction.

21. **Choice of Law; Jury Trial Waiver; Jurisdiction. THIS AGREEMENT SHALL BE DEEMED TO BE MADE IN NEW YORK. THIS AGREEMENT AND ALL DISPUTES ARISING OUT OF OR RELATED TO THIS AGREEMENT (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS. EACH OF HOULIHAN LOKEY AND THE COMPANY (ON ITS OWN BEHALF AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ON BEHALF OF ITS EQUITY HOLDERS) IRREVOCABLY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) RELATED TO OR ARISING OUT OF THE ENGAGEMENT OF HOULIHAN LOKEY PURSUANT TO, OR THE PERFORMANCE BY HOULIHAN LOKEY OF THE SERVICES CONTEMPLATED BY, THIS AGREEMENT. REGARDLESS OF ANY PRESENT OR FUTURE DOMICILE OR PRINCIPAL PLACE OF BUSINESS OF THE PARTIES HERETO, EACH PARTY HEREBY IRREVOCABLY CONSENTS AND AGREES THAT ANY CLAIMS OR DISPUTES BETWEEN OR AMONG THE PARTIES HERETO ARISING OUT OF OR RELATED TO THIS AGREEMENT (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) SHALL BE BROUGHT AND MAINTAINED IN ANY FEDERAL OR STATE COURT OF COMPETENT JURISDICTION SITTING IN THE COUNTY OF NEW YORK IN THE STATE OF NEW YORK OR IN THE UNITED STATES DISTRICT COURT FOR THE**

SOUTHERN DISTRICT OF NEW YORK, WHICH COURTS SHALL HAVE EXCLUSIVE JURISDICTION OVER THE ADJUDICATION OF SUCH MATTERS, AND AGREES TO VENUE IN SUCH COURTS; PROVIDED THAT SUCH CONSENT AND AGREEMENT SHALL NOT BE DEEMED TO REQUIRE ANY BANKRUPTCY CASE INVOLVING THE COMPANY TO BE FILED IN SUCH COURTS, AND IF THE COMPANY BECOMES A DEBTOR UNDER CHAPTER 11 OF THE BANKRUPTCY CODE, DURING ANY SUCH CASE, ANY CLAIMS MAY ALSO BE HEARD AND DETERMINED BEFORE THE BANKRUPTCY COURT. EACH PARTY FURTHER IRREVOCABLY SUBMITS AND CONSENTS IN ADVANCE EXCLUSIVELY TO SUCH JURISDICTION AND VENUE IN ANY ACTION OR SUIT COMMENCED IN ANY SUCH COURTS, AND HEREBY WAIVES IN ALL RESPECTS ANY CLAIM OR OBJECTION WHICH IT MAY HAVE BASED UPON LACK OF PERSONAL JURISDICTION, IMPROPER VENUE OR FORUM NON CONVENIENS. THE COMPANY AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION, SUIT OR CLAIM BROUGHT IN ANY OF THE COURTS REFERRED TO ABOVE SHALL BE CONCLUSIVE AND BINDING UPON IT AND MAY BE ENFORCED IN ANY OTHER COURTS HAVING JURISDICTION OVER IT BY SUIT UPON SUCH JUDGMENT. THE COMPANY IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN ALL SUCH DISPUTES BY THE MAILING OF COPIES OF SUCH PROCESS TO THE COMPANY AT 6501 CONGRESS AVENUE, SUITE 300, BOCA RATON, FL 33487.

22. **Indemnification and Standard of Care.** As a material part of the consideration for the agreement of Houlihan Lokey to furnish its services under this Agreement, the Company agrees (i) to indemnify and hold harmless Houlihan Lokey and its affiliates, and their respective past, present and future directors, officers, partners, members, employees, agents, representatives, advisors, subcontractors and controlling persons (collectively, the "Indemnified Parties"), to the fullest extent lawful, from and against any and all losses, claims, damages or liabilities (or actions in respect thereof), joint or several, arising out of or related to Houlihan Lokey's engagement under, or any matter referred to in, this Agreement, and (ii) to reimburse each Indemnified Party for all expenses (including, without limitation, the reasonable and documented fees and expenses of counsel) as they are incurred in connection with investigating, preparing, pursuing, defending, settling, compromising or otherwise becoming involved in any action, suit, dispute, inquiry, investigation or proceeding, pending or threatened, brought by or against any person or entity (including, without limitation, any shareholder or derivative action or any claim to enforce this Agreement), arising out of or related to such engagement or matter. However, the Company shall not be liable under the foregoing indemnification provision for any loss, claim, damage or liability which is finally judicially determined by a court of competent jurisdiction to have resulted primarily from actual fraud, bad faith, the willful misconduct or gross negligence of such Indemnified Party.

If for any reason the foregoing indemnification or reimbursement is unavailable to any Indemnified Party or insufficient fully to indemnify any Indemnified Party or to hold it harmless, then the Company shall contribute to the amount paid or payable by such Indemnified Party as a result of the losses, claims, damages, liabilities or expenses referred to in subsections (i) or (ii) of such indemnification or reimbursement provisions in such proportion as is appropriate to reflect the relative benefits received by the Company, on the one hand, and Houlihan Lokey, on the other hand, in connection with the matters contemplated by this Agreement. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law, then the Company shall contribute to such amount paid or payable by such Indemnified Party in such proportion as is appropriate to reflect not only such relative benefits, but also the relative fault of the Company (and its affiliates, and their respective directors, employees, agents and other advisors), on the one hand, and such Indemnified Party, on the other hand, in connection therewith, as well as any other relevant equitable considerations. Notwithstanding the foregoing, in no event shall the Indemnified Parties be required to contribute an aggregate amount in excess of the amount of fees actually received by Houlihan Lokey from the Company pursuant to this Agreement. Relative benefits received by the Company, on the one hand, and Houlihan Lokey, on the other hand, shall

be deemed to be in the same proportion as (i) the total value paid or received or contemplated to be paid or received by the Company, and its security holders, creditors, and other affiliates, as the case may be, pursuant to the transaction(s) (whether or not consummated) contemplated by the engagement hereunder, bears to (ii) the fees received by Houlihan Lokey under this Agreement. The Company shall not settle, compromise or consent to the entry of any judgment in or otherwise seek to terminate any pending or threatened action, suit, dispute, inquiry, investigation or proceeding arising out of or related to Houlihan Lokey's engagement under, or any matter referred to in, this Agreement (whether or not an Indemnified Party is an actual or potential party thereto), or participate in or otherwise facilitate any such settlement, compromise, consent or termination by or on behalf of any person or entity, unless such settlement, compromise, consent or termination contains a release of the Indemnified Parties reasonably satisfactory in form and substance to Houlihan Lokey.

The Company further agrees that neither Houlihan Lokey nor any other Indemnified Party shall have any liability (whether direct or indirect and regardless of the legal theory advanced) to the Company or any person or entity asserting claims on behalf of or in right of the Company arising out of or related to Houlihan Lokey's engagement under, or any matter referred to in, this Agreement, except for losses, claims, damages or liabilities incurred by the Company which are finally judicially determined by a court of competent jurisdiction to have resulted primarily from the willful misconduct or gross negligence of such Indemnified Party.

The Company shall cause any new company or entity that may be formed by the Company, for any purpose, to agree to all of the obligations in this Section to Houlihan Lokey in accordance with the foregoing provisions. Prior to entering into any agreement or arrangement with respect to, or effecting, any (i) merger, statutory exchange or other business combination or proposed sale, exchange, dividend or other distribution or liquidation of all or a significant portion of its assets, or (ii) significant recapitalization or reclassification of its outstanding securities that does not directly or indirectly provide for the assumption of the obligations of the Company set forth in this Agreement, the Company will notify Houlihan Lokey in writing thereof (if not previously so notified) and, if requested by Houlihan Lokey, shall arrange in connection therewith alternative means of providing for the obligations of the Company set forth in this Agreement, including the assumption of such obligations by another party, insurance, surety bonds, the creation of an escrow, or other credit support arrangements, in each case in an amount and upon terms and conditions satisfactory to Houlihan Lokey.

The indemnity, reimbursement, and other obligations and agreements of the Company set forth herein (i) shall apply to any services provided by Houlihan Lokey in connection with this engagement prior to the Effective Date and to any modifications of this Agreement, (ii) shall be in addition to any obligation or liability which the Company may otherwise have to any Indemnified Party, and (iii) shall survive the completion of the services described in, and any expiration or termination of the relationship established by, this Agreement. The Company agrees that Houlihan Lokey would be irreparably injured by any breach of any such obligations or agreements, that money damages alone would not be an adequate remedy for any such breach and that, in the event of any such breach, Houlihan Lokey shall be entitled, in addition to any other remedies, to injunctive relief and specific performance.

23. **Miscellaneous.** This Agreement shall be binding upon the parties hereto and their respective successors, heirs and assigns and any successor, heir or assign of any substantial portion of such parties' respective businesses and/or assets, including any Chapter 11 or Chapter 7 trustee appointed on behalf of the Company.

Nothing in this Agreement, express or implied, is intended to confer or does confer on any person or entity, other than the parties hereto, the Indemnified Parties and each of their respective successors, heirs

and assigns, any rights or remedies (directly or indirectly as a third party beneficiary or otherwise) under or by reason of this Agreement or as a result of the services to be rendered by Houlihan Lokey hereunder.

This Agreement is the complete and exclusive statement of the entire understanding of the parties regarding the subject matter hereof, and supersedes all previous agreements or understandings regarding the same, whether written or oral. This Agreement may not be amended, and no portion hereof may be waived, except in a writing duly executed by the parties hereto.

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect pursuant to the terms hereof.

To help the United States government fight the funding of terrorism and money laundering activities, the federal law of the United States requires all financial institutions to obtain, verify and record information that identifies each person with whom they do business as a condition to doing business with that person. Accordingly, the Company will provide Houlihan Lokey upon request (i) certain information regarding the identities of all individuals who, directly or indirectly, own 25% or more of the Company's equity interests as well as the Company's executive officers, and (ii) certain identifying information necessary to verify the Company's identity, such as a government-issued identification number (e.g., a U.S. taxpayer identification number), certified articles of incorporation, a government-issued business license, partnership agreement, or trust instrument. By executing this Agreement, the Company confirms that all such information provided to Houlihan Lokey is accurate and complete.

This Agreement may be executed in any number of counterparts, each of which will be deemed an original and all of which will constitute one and the same instrument. Such counterparts may be delivered by one party to the other by facsimile or other electronic transmission, and such counterparts shall be valid for all purposes.

The Company has all requisite power and authority to enter into this Agreement. This Agreement has been duly and validly authorized by all necessary action on the part of the Company and has been duly executed and delivered by the Company and constitutes a legal, valid and binding agreement of the Company, enforceable in accordance with its terms. This Agreement has been reviewed by the signatories hereto and their counsel. There shall be no construction of any provision against Houlihan Lokey because this Agreement was drafted by Houlihan Lokey, and the parties waive any statute or rule of law to such effect.

The Company agrees that it will be solely responsible for ensuring that any Transaction complies with applicable law. The Company understands that Houlihan Lokey is not undertaking to provide any legal, regulatory, accounting, insurance, tax or other similar professional advice and the Company confirms that it is relying on its own counsel, accountants and similar advisors for such advice.

To the extent that the Company hereunder is comprised of more than one entity or company, the obligations of the Company under this Agreement are joint and several, and any consent, direction, approval, demand, notice or the like given by any one of such entities or companies shall be deemed given by all of them and, as such, shall be binding on the Company.

The Company understands and acknowledges that Houlihan Lokey and its affiliates (collectively, the "Houlihan Lokey Group") engage in providing investment banking, securities trading, financing, financial advisory, and consulting services and other commercial and investment banking products and services to a wide range of institutions and individuals. In the ordinary course of business, the Houlihan Lokey Group and certain of its employees, as well as investment funds in which they may have financial

interests or with which they may co-invest, may acquire, hold or sell, long or short positions, or trade or otherwise effect transactions, in debt, equity, and other securities and financial instruments (including bank loans and other obligations) of, or investments in, the Company or any other party that may be involved in the matters contemplated by this Agreement or have other relationships with such parties. With respect to any such securities, financial instruments and/or investments, all rights in respect of such securities, financial instruments and investments, including any voting rights, will be exercised by the holder of the rights, in its sole discretion. In addition, the Houlihan Lokey Group may in the past have had, and may currently or in the future have, financial advisory or other investment banking or consulting relationships with parties involved in the matters contemplated by this Agreement, including parties that may have interests with respect to the Company, a Transaction or other parties involved in a Transaction, from which conflicting interests or duties may arise. Although the Houlihan Lokey Group in the course of such other activities and relationships or otherwise may have acquired, or may in the future acquire, information about the Company, a Transaction or such other parties, or that otherwise may be of interest to the Company, the Houlihan Lokey Group shall have no obligation to, and may not be contractually permitted to, disclose such information, or the fact that the Houlihan Lokey Group is in possession of such information, to the Company or to use such information on the Company's behalf.

In order to enable Houlihan Lokey to bring relevant resources to bear on its engagement hereunder from among its global affiliates, the Company agrees that Houlihan Lokey may share information obtained from the Company and other parties hereunder with other members of the Houlihan Lokey Group, and may perform the services contemplated hereby in conjunction with such other members.

If the foregoing correctly sets forth our agreement, please sign and return to us a copy of this Agreement along with a check (or wire transfer confirmation) for $100,000 on account of the first Monthly Fee.

All of us at Houlihan Lokey thank you for choosing us to advise the Company, and look forward to working with you on this engagement.

Very truly yours,

HOULIHAN LOKEY CAPITAL, INC.

By: _____
Saul Burian
Managing Director

Accepted and agreed to as of the Effective Date:

Dream II Holdings, LLC
Hollander Sleep Products, LLC
Hollander Home Fashions Holdings, LLC
Hollander Sleep Products Kentucky, LLC
Pacific Coast Feather, LLC
Pacific Cost Feather Cushion, LLC
Hollander Sleep Products Canada Limited
on their own behalf, and on behalf of their direct and indirect subsidiaries

By: _____

Exhibit B

Burian Declaration

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
HOLLANDER SLEEP PRODUCTS, LLC., *et al.*,[1]	)	Case No. 19-11608 (MEW)
Debtors.	)	(Jointly Administered)

DECLARATION OF SAUL E. BURIAN, IN SUPPORT OF THE DEBTORS' APPLICATION FOR ENTRY OF AN ORDER (A) AUTHORIZING THE EMPLOYMENT AND RETENTION OF HOULIHAN LOKEY CAPITAL, INC. AS FINANCIAL ADVISOR AND INVESTMENT BANKER TO THE DEBTORS *NUNC PRO TUNC* TO THE PETITION DATE, (B) APPROVING THE TERMS OF THE ENGAGEMENT AGREEMENT, (C) WAIVING CERTAIN TIME-KEEPING REQUIREMENTS, AND (D) GRANTING RELATED RELIEF

I, Saul E. Burian, declare under penalty of perjury as follows:

1. I am a Managing Director at Houlihan Lokey Capital, Inc. ("Houlihan Lokey"), and am duly authorized to make this Declaration on behalf of Houlihan Lokey pursuant to sections 327(a) and 328 of title 11 of the United States Code (the "Bankruptcy Code"), Rules 2014(a) and 2016 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and Rules 2014(a) and 2016 of the Local Bankruptcy Rules for the Southern District of New York (the "Local Rules"). I submit this declaration (this "Declaration") in support of the *Debtors' Application for Entry of an Order (A) Authorizing the Employment and Retention of Houlihan Lokey Capital, Inc. as Financial Advisor and Investment Banker to the Debtors* Nunc Pro Tunc *to the Petition Date, (B) Approving the Terms of the Engagement Agreement, (C) Waiving Certain*

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors' service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

Time-Keeping Requirements, and (D) Granting Related Relief (the "Application").[2] Except as otherwise noted, I have personal knowledge of the matters set forth herein and, if called as a witness, I could and would testify thereto.

2. This Declaration is also submitted in compliance with sections 105, 327(a), 328(a), and 1107(a) of the Bankruptcy Code, Bankruptcy Rules 2014(a) and 2016, and and Local Rules 2014(a) and 2016-1.

Houlihan Lokey's Disinterestedness

3. From time to time, Houlihan Lokey's Financial Restructuring Group, which is providing the services in this case, has provided services and likely will continue to provide services to certain attorneys, other professionals, creditors (including lenders) and/or security holders of the above-captioned debtors and debtors in possession (collectively, the "Debtors") and various other parties, some of whom may be providing services to or may be adverse to or may be otherwise connected to the Debtors, in matters unrelated to these chapter 11 cases.

4. In addition to its Financial Restructuring Group, Houlihan Lokey and the other subsidiaries of its direct parent company, Houlihan Lokey, Inc., that are engaged in providing investment banking and financial advisory services globally (collectively, the "Houlihan Lokey Group") provide services to a wide range of institutions and individuals and, in the past, may have had and currently may have or, in the future, may have financial advisory or other investment banking or consulting relationships with parties that may have interests with respect to the Debtors. In the ordinary course of business, investment funds affiliated with the Houlihan Lokey Group and certain of the Houlihan Lokey Group's employees, as well as investment funds in which such

[2] Unless otherwise defined herein, capitalized terms used herein shall have the meanings set forth to them in the Application.

employees may have financial interests in, but over whose investment decisions such employees have no input or control, may acquire, hold, or sell long or short positions or trade or otherwise effect transactions in debt, equity, and other securities and financial instruments (including bank loans and other obligations) of or investments in the Debtors or other parties that may have an interest in these chapter 11 cases or have other relationships with such parties. All rights with respect to any such securities, financial instruments, and/or investments, including any voting rights, will be exercised by the holder of the rights, in its sole discretion. Moreover, the Houlihan Lokey employees who are working on these chapter 11 cases are subject to compliance mechanisms and policies and procedures designed to prevent confidential, non-public information from being improperly shared.

5. The Houlihan Lokey Group's Hedge Fund and Derivatives Valuation Services Group provides valuation opinions on the securities and derivative holdings of various business development companies, private equity firms, and hedge funds, which may include debt securities of the Debtors. This work is unrelated to the financial advisory and investment banking services that Houlihan Lokey intends to provide in these chapter 11 cases. Moreover, the Houlihan Lokey Group, through the establishment of an "Information Wall" has separated its employees in the Hedge Fund and Derivatives Valuation Services Group from the rest of the employees of the Houlihan Lokey Group. This "Information Wall" includes physical and technological barriers, compliance mechanisms, and policies and procedures designed to prevent confidential, non-public information and work product from being shared improperly.

6. In the ordinary course of its business, Houlihan Lokey from time to time discusses issues concerning stressed and distressed companies with creditors and prospective creditors that are clients of the firm or that otherwise contact Houlihan Lokey or that are referred to the firm in

light of Houlihan Lokey's reputation for covering such companies and/or relevant industry expertise. At the time of those contacts, it is not known whether any particular company will actually file for bankruptcy or if any of these creditors and/or potential creditors will serve on any future committee or even be a creditor of the relevant estate in the event of a future bankruptcy.

7. Houlihan Lokey personnel may have business associations with certain creditors of the Debtors or counsel or other professionals involved in these chapter 11 cases on matters unrelated to these chapter 11 cases. In addition, in the ordinary course of its business, Houlihan Lokey may engage counsel or other professionals in unrelated matters who now represent or, in the future, may represent creditors or other interested parties in these chapter 11 cases.

8. To determine its relationship with parties in interest in these chapter 11 cases, Houlihan Lokey has researched the client databases maintained with respect to the Houlihan Lokey Group to determine whether it has any relationships with the entities (individually, an "Interested Party" and, collectively, the "Interested Parties") that were identified to Houlihan Lokey by the Debtors and which are listed on **Annex 2** hereto. Categories in which such entities fall include:

a. Company Entities;

b. Directors and Officers;

c. Counterparties to Significant Executory Contracts;

d. Customers;

e. Landlords;

f. Lenders and Sponsor;

g. Professionals;

h. Shareholders Taxing Authorities; and

i. Top 50 General Unsecured Creditors

9. The attached **Annex 3** details the relationship check performed by Houlihan Lokey, and identifies any relationships discovered through such investigation that members of the Houlihan Lokey Group have with any Interested Parties in these chapter 11 cases. All such relationships disclosed on **Annex 3** pertain to matters unrelated to the Debtors or their estates, and Houlihan Lokey will not represent such parties listed on **Annex 3** in these bankruptcy proceedings.

10. To the best of my knowledge, information and belief after reasonable inquiry, other than as disclosed in this Declaration, neither I, the Houlihan Lokey Group, nor any of our professionals or employees participating in or connected with Houlihan Lokey's engagement with the Debtors: (a) has any connection with or holds or represents any interest adverse to the Debtors, their estates, their creditors, or any other Interested Party or their respective attorneys in the matters on which Houlihan Lokey is proposed to be retained; or (b) has advised any Interested Party in connection with these chapter 11 cases. In addition, Houlihan Lokey does not believe that any relationship that the Houlihan Lokey Group or any of our professionals or employees participating in or connected with Houlihan Lokey's engagement with the Debtors may have with any Interested Party in connection with any unrelated matter will interfere with or impair Houlihan Lokey's representation of the Debtors in these chapter 11 cases.

11. In addition, to the best of my knowledge, information, and belief and in accordance with Bankruptcy Rules 5002, neither I, nor or any of our professionals or employees participating in or connected with Houlihan Lokey's engagement with the Debtors is a relative of the United States Bankruptcy Judge assigned to these chapter 11 cases, and Houlihan Lokey does not have a connection with the United States Bankruptcy Judge that would render its retention in these cases improper. Further, to the best of my knowledge, information, and belief and in accordance with

Bankruptcy Rule 2014, Houlihan Lokey does not have any connection with the Office of the U.S. Trustee or any persons employed by the U.S. Trustee.

12. To the extent Houlihan Lokey discovers any facts bearing on the matters described herein during the period of Houlihan Lokey's retention, Houlihan Lokey undertakes to amend and supplement the information contained in this Declaration to disclose such facts.

13. Based on all of the foregoing, Houlihan Lokey is a "disinterested person" as that term is defined in section 101(14) of the Bankruptcy Code.

14. No agreement or understanding presently exists to share with any other person or firm any compensation received by Houlihan Lokey for its services in these cases. If any such agreement is entered into, Houlihan Lokey undertakes to amend and supplement this Declaration to disclose the terms of any such agreement.

15. No promises have been received by Houlihan Lokey or by any employee thereof as to compensation in connection with these cases other than in accordance with the provisions of the Bankruptcy Code.

Indemnification

16. The Engagement Agreement includes a provision for the indemnification of Houlihan Lokey by the Debtors. I believe that the indemnification provision in the Engagement Agreement is generally consistent in all material respects with the indemnification provision contained in Houlihan Lokey's standard engagement letter for both in- and out-of-court investment banking services (including sell- and buy-side mergers and acquisitions advisory services). Further, similar indemnification arrangements have been approved by courts as part of Houlihan Lokey's retention in other bankruptcy matters.

17. The indemnification provisions contained in the Engagement Agreement are important and necessary to limit the exposure of advisors to potential future liability for decisions

made based on all material information reasonably available. Further, to the best of my knowledge, such indemnification provisions are consistent with the marketplace. I believe that the indemnification provisions contained in the Engagement Agreement are appropriate and reasonable for the engagement of Houlihan Lokey as financial advisor and investment banker in these chapter 11 cases.

Compliance With Bankruptcy Code and Bankruptcy Rules

18. I am generally familiar with the Bankruptcy Code and the Bankruptcy Rules, and Houlihan Lokey will comply with them, subject to the orders of this Court.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

19. Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

/s/ 

Dated: May 30, 2019

Saul Burian
Managing Director
Houlihan Lokey Capital, Inc.

Annex 1

Principal Professionals

Saul Burian (Managing Director)

Mr. Burian is a Managing Director in Houlihan Lokey's Financial Restructuring Group and also Head of Houlihan Lokey's Real Estate Strategic Advisory Group. He specializes in advising public and private companies and creditor groups in complex restructurings, bankruptcies, real estate, and other transactions. Mr. Burian also specializes in raising capital for troubled businesses and often represents debtor and creditor constituencies in pre-packaged, pre-negotiated, and other bankruptcy proceedings. Mr. Burian is based in the firm's New York office.

Mr. Burian has been involved as an advisor in a wide range of restructurings throughout his career, including Toys R Us, J Crew, American Apparel, Extended Stay America, MSR Hotels & Resorts Inc., Kaisa Group Holdings, Lehman Brothers, Mark IV Automotive, JL French, TI Automotive, High Voltage Engineering, Transeastern Properties, Plymouth Industrial, Protection One, Realogy Corp., Dolphin Management and RCS Capital. Before joining Houlihan Lokey, Mr. Burian was a partner in the New York law firm Kramer Levin Naftalis & Frankel, where he specialized in creditors' rights and bankruptcy. During his 12 years at Kramer Levin, he represented a broad spectrum of clients who were often the primary "at-risk" constituency in the relevant in- and out-of-court restructurings and bankruptcies, including bank lenders, debtors, creditor committees, and secondary purchasers of distressed indebtedness.

Mr. Burian received a B.A. with honors in Economics at Yeshiva University and a J.D. from Columbia University School of Law, where he was a Harlan Fiske Stone Scholar.

Mark Dufilho (Managing Director)

Mr. Dufilho is a senior member of Houlihan Lokey's Consumer, Food & Retail Group. He has nearly two decades of experience providing transaction advisory, corporate finance, and restructuring services to small and mid-cap public and private companies and private equity firms. Before joining Houlihan Lokey, Mr. Dufilho worked at Alvarez & Marsal, where he provided interim management and turnaround advisory services to distressed companies in a wide range of industries. Earlier, he worked as a manager in corporate development for Commerce One and as a manager in the transaction services group at PricewaterhouseCoopers, where he provided M&A services.

Mr. Dufilho graduated *summa cum laude* with B.B.A.s in Finance and International Business from Loyola University and holds an MBA from Harvard Business School.

David Salemi (Director)

Mr. Salemi is a member of Houlihan Lokey's Financial Restructuring Group. He has more than a decade of investment banking and principal investing experience, primarily involving companies undergoing financial restructurings and/or experiencing distress. He has advised debtors and creditors on a range of in-court and out-of-court restructuring transactions. Notable restructuring engagements include Six Flags, LNR Property, and Centro Properties Group. Mr. Salemi has also worked on a variety of assignments involving mergers, acquisitions, private placements, and fairness opinions, and has been actively involved with the firm's principal investment activities.

Mr. Salemi holds a B.S. in Commerce with a concentration in Finance from the University of Virginia's McIntire School of Commerce.

Tom Hedus (Senior Vice President)

Mr. Hedus is a member of Houlihan Lokey's Financial Restructuring Group. His recently completed engagements include Claire's Stores Inc., Mirabela Nickel, Ltd.; Midwest Vanadium Pty, Ltd.; Arcapita Bank; eircom; en+; and Emeco, among others. Before joining the New York team, Mr. Hedus was a Financial Analyst and Associate in Houlihan Lokey's Financial Restructuring Group based in the firm's London office. Mr. Hedus holds a B.A. in Economics from the University of Connecticut.

Hussein El Husseini (Associate)

Mr. El Husseini is an Associate in Houlihan Lokey's Financial Restructuring Group, based in New York. He holds an M.B.A. from Yale University's School of Management and a B.A. in Economics from the American University of Beirut. Mr. El Husseini is also a CFA Charterholder. Prior to joining Houlihan Lokey, he worked in Deutsche Bank's Global Markets Equity Group in the UAE and Saudi Arabia.

Matthew Ender (Analyst)

Mr. Ender is a Financial Analyst in Houlihan Lokey's Financial Restructuring Group. He is based in the firm's New York office. Mr. Ender holds a B.S. in Commerce, with concentrations in Finance and Accounting, from the University of Virginia McIntire School of Commerce.

Jack Stucky (Analyst)

Mr. Stucky is a Financial Analyst in Houlihan Lokey's Financial Restructuring Group. He is based in the firm's New York office. Mr. Stucky holds a B.S. in Business Administration and European History from Washington and Lee University.

Annex 2

List of Potential Parties in Interest

List of Schedules

Schedule	Category
1(a)	Company Entities
1(b)	Directors & Officers
1(c)	Counterparties to Significant Executory Contracts
1(d)	Customers
1(e)	Landlords
1(f)	Lenders and Sponsor
1(g)	Professionals
1(h)	Shareholders
1(i)	Taxing Authorities
1(j)	U.S. Trustee, Judges, and Court Contacts for the Southern District of New York
1(k)	Top 50 General Unsecured Creditors

SCHEDULE 1(a)

Company Entities

Dream II Holdings LLC
Hollander Home Fashions Holdings LLC
Hollander Sleep Products Canada Ltd.
Hollander Sleep Products Kentucky LLC
Hollander Sleep Products LLC
Pacific Coast Feather Cushion LLC
Pacific Coast Feather LLC

SCHEDULE 1(b)

Directors & Officers

Baker, Chris
Bommer, Eric D.
Cumbow, Steve
Fabian, Michael J.
Kahn, Matthew
Pfefferle, Marc

SCHEDULE 1(c)

Counterparties to Significant Executory Contracts

Avendra LLC
Calvin Klein Inc.
Crown Crafts Designer Inc.
Dreamwell Ltd.
Maas, Dr. James B.
Nautica Apparel Inc.
Polo/Lauren Co. LP, The
Ralph Lauren Home Collection Inc.
Simmons Canada Inc.
Therapedic International

SCHEDULE 1(d)

Customers

American Hotel Register Co. Inc.
Army & Air Force Exchange Service, The
BBB Canada
Bed Bath & Beyond Inc.
Belk Inc.
Big Lots Inc.
Bloomingdale's Inc.
Burlington Stores Inc.
Costco Canada Inc.
Costco de Mexico SA de CV
Costco International
Costco Wholesale Corp.
HD Supply Inc.
Homegoods Inc.
HomeSense Inc.
Hudson's Bay Co.
JC Penney Co. Inc.
Macy's Inc.
Mattress Firm Inc.
Meijer Inc.
Navy Exchange Service Command
PCF Website
Pottery Barn Inc.
PriceSmart Inc.
Restoration Hardware Inc.
Ross Stores Inc.
Sysco Corp.
Target Corp.
TJ Maxx Inc.
T-Y Group LLC
Walmart Canada Corp.
Walmart Inc.
West Elm Inc.
Winners Merchants International LP

SCHEDULE 1(e)

Landlords

10401 Bunsen Way LLC
2298174 Ontario Inc.
420-450 Britannia Road East Ltd.
440 Realty Inc.
660 National Turnpike LLC
Access Service Office
Adam & Co.
EFP Partners
Hager LLC
HIP III LLC
Imperial Realty Co.
Kipling Apparel Corp.
Lex Thomson L.P.
MacArthur Crossing
Mainstreet CV North 40 LLC
Majestic/AMB Pico Rivera Associates LLC
Millineum Maintenance Management Inc.
PND Engineers Inc.
Prologis Inc.
Royal Oak
Samuel Heath & Sons PLC
Shaikh, Hussain
Shanghaimart Corp.
SoCal LLC
Spiegel Family Realty Co. Iowa LLC
VARS Co. Ltd.
Woodcreek Holdings

SCHEDULE 1(f)

Lenders and Sponsor

Allstate Insurance Co.
Allstate Life Insurance Co.
Barings Global Private Loans 1 Sarl
Barings Global Private Loans 2 Sarl
BCF Senior Funding I LLC
CM Life Insurance Co. Inc.
Diamond CLO 2018-1 Ltd.
Fifth Street Senior Loan Fund I LLC
First Eagle Dartmouth Holding LLC
GSO Diamond Portfolio Borrower LLC
ING Capital LLC
Massachusetts Mutual Life Insurance Co.
NAPLF (Cayman) A Senior Funding I LLC
NAPLF (Cayman) Senior Funding I LLC
NAPLF Senior Funding I LLC
NewStar Arlington Senior Loan Program LLC
NewStar Berkeley Fund CLO LLC
NewStar Clarendon Fund CLO LLC
NewStar Commercial Loan Funding 2016-1 LLC
NewStar Commercial Loan Funding 2017-1 LLC
NewStar Fairfield Fund CLO Ltd.
PennantPark Credit Opportunities Fund II LP
PennantPark Floating Rate Funding I LLC
PennantPark SBIC II LP
Sentinel Capital Partners LLC
SunTrust Bank
Wells Fargo Bank NA

SCHEDULE 1(g)

Professionals

Carl Marks Capital Advisors LLC
OMNI Management Group LLC
Kirkland & Ellis
Osler, Hoskin & Harcourt
Proskauer Rose
Kramer Levin Naftalis & Frankel LLP
King & Spalding
Goldberg Kohn
Orrick
Goodmans LLP
KSV Advisory Inc

SCHEDULE 1(h)

Shareholders

1492 Capital Management LLC
Baker, Chris
Carroll, Mason
Deliberti, Bill
Eisner, Michelle
Fitzpatrick Family Trust
Huneidi, May
Kayne Credit Opportunities Fund (QP) LP
Kayne Credit Opportunities Fund LP
Mack, Beth
Marc C. Particelli 2006 Family Trust
McNeil, Sandy
Nationwide Mutual Insurance Co.
Particelli, Marc C.
Phoenix Life Insurance Co.
Rodriguez, Rafael
Schaefer, David
Stellus Credit Master Fund I LLC
Stellus Credit VCOC Fund I LLC

SCHEDULE 1(i)

Taxing Authorities

California, State of, California Environmental Protection Agency, State Water Resources Control Board
California, State of, Department of Tax & Fee Administration
California, State of, Government Operations Agency, Franchise Tax Board
Canada Revenue Agency
Compton, City of (CA)
Guilford, County of (NC), Tax Department
HA Berkheimer, Business Privilege Tax
Hart, County of (KY), Sheriff
Hensley, Boston
Illinois, State of, Department of Revenue
Iowa, State of, Department of Revenue
Jeffersontown, City of (KY)
Kentucky, Commonwealth of, Treasurer
Los Angeles, County of (CA), Agricultural Commissioner Weights & Measures
Los Angeles, County of (CA), Tax Collector
McDuffie, County of (GA), Planning Commission
McDuffie, County of (GA), Tax Commissioner
Miami-Dade, County of (FL), Tax Collector
Munfordville, City of (KY)
New York, State of, Department of Taxation & Finance
North Carolina, State of, Department of Revenue
Ohio, State of, Department of Taxation
Palm Beach, County of (FL), Tax Collector
Pennsylvania, Commonwealth of, Department of Revenue
Pico Rivera, City of (CA)
Revenue of Québec
Seattle, City of (WA)
Stewardship Ontario
Texas, State of, Comptroller of Public Accounts
Thomas, Stacey W.
Vance, County of (NC), Tax Administration
Washington, State of, Department of Revenue

SCHEDULE 1(j)

U.S. Trustee, Judges, and Court Contacts for the Southern District of New York

Abriano, Victor
Arbeit, Susan
Bernstein, Stuart M.
Cassara, Amanda
Catapano, Maria
Chapman, Shelley C.
Choy, Danny A.
Daniele, Salvatore
DiSalvo, Rosemary
Drain, Robert D.
Garrity, James L., Jr.
Glenn, Martin
Grossman, Robert E.
Harrington, William K.
Higgins, Benjamin J.
Lane, Sean H.
Masumoto, Brian S.
Mendoza, Ercilia A.
Moroney, Mary
Moroney, Mary V.
Morris, Cecelia G.
Morrissey, Richard C.
Nadkarni, Joseph
Nakano, Serene
Ng, Cheuk M.
Riffkin, Linda
Rodriguez, Ilusion
Schwartz, Andrea B.
Schwartzberg, Paul K.
Scott, Shannon
Sharp, Sylvester
Song, Justin
Velez-Rivera, Andy
Vyskocil, Mary Kay
Wiles, Michael E.
Zipes, Greg M.

SCHEDULE 1(k)

Top 50 General Unsecured Creditors

ADVANSA BmbH
Anhui Rongdi Down Products Co. Ltd.
Atlas Feather Processing Corp.
AV Logistics LLC
Be Be Jan Fibres (Pvt) Ltd.
Be Be Jan Pakistan Ltd.
CH Robinson Worldwide Inc.
Chuzhou Jincheng Home Decoration Manufactory
Cixi Jiangnan Chemical Fiber
Domfoam Inc.
Dusobox Corp.
EA International Ltd.
Elite Comfort Solutions LLC
Emirates Fiber Industries FZ LLC
Exeter 25 Keystone LLC
Fine Textile Co. Ltd.
Funing Jincheng Home Textile Co.
Hangzhou Chuangyuan Feather Co. Ltd.
Hangzhou Huaying Xintang Down Products Co.
Hangzhou Huoju Down Products Co. Ltd.
International Paper Co.
INVISTA (Canada) Co.
Invista BV
Invista Inc.
INVISTA SARL
Jasztex Fibers Inc.
Kamýk Daunen s.r.o.
KapStone Container Corp.
Kuehne & Nagel International AG
LQ Mechatronik-Systeme GmbH
Majestic/AMB Pico Rivera Associates LLC
Nan Ya Plastics Corp.
Nan Ya Plastics Corp. America
NAP Industries Inc.
Navarpluma SL
Oracle America Inc.
Packaging Corp. of America
Polypack Inc.
Printcraft Co. Inc.
Progress Container & Display
Qingdao Fuyuan Arts & Crafts Co. Ltd.
Roind Hometex Co. Ltd.
Sea Feather Ltd. Co. of Luan, The
SHI International Corp.
Stein Fibers Ltd.
Strands Textile Mills Pvt. Ltd
Sun Fiber LLC
Sun Fiber Sales LLC
Topocean Consolidation Service Los Angeles Inc.
United States, Government of the, Department of Homeland Security, Customs & Border Protection
Vietnam New Century Polyester Fibre Co. Ltd.
Vipac Packaging
Weifang Jielong Textile Co. Ltd.
Wuhu Fine Textile International Trading Co. Ltd.
Wujiang City Xinyi Textile Co. Ltd.
Wuxi Jielong Textile Co. Ltd.
Wuxi Yinxin Printing Co. Ltd.
Zhejiang Hengdi Bedding Co. Ltd.
Zhejiang Liuqiao Home Textile Co. Ltd.
Zhejiang Liuqiao Industrial Co. Ltd.
Zhejiang Saifang Textile Technology Co. Ltd.
Zhejiang Wanxiang Bedding Co. Ltd.
Zhejiang Wanxiang Bedding Products Ltd. Co.

Annex 3

Details of Relationship Check

HOULIHAN LOKEY CORPORATE FINANCE – CLOSED ENGAGEMENTS
GSO CAPITAL PARTNERS LP
PENNANTPARK INVESTMENT CORPORATION
SENTINEL CAPITAL PARTNERS LLC
WELLS FARGO ADVISORS, LLC
WELLS FARGO HOME MORTGAGE, INC.
FIRST EAGLE INVESTMENT MANAGEMENT
NEWSTAR FINANCIAL, INC.

HOULIHAN LOKEY FINANCIAL ADVISORY SERVICES – ACTIVE ENGAGEMENTS
GSO / BLACKSTONE DEBT FUNDS MANAGEMENT LLC
GSO CAPITAL PARTNERS LP
GSO ENERGY STREET OPPORTUNITIES FUND II LP
KING & SPALDING LLP
ELITE COMFORT SOLUTIONS LLC
ORRICK, HERRINGTON & SUTCLIFFE, LLP
WELLS FARGO SECURITIES, LLC

HOULIHAN LOKEY FINANCIAL ADVISORY SERVICES – CLOSED ENGAGEMENTS
ALLSTATE INVESTMENTS, LLC
ALLSTATE CORPORATION
WELLS FARGO & COMPANY
AVENDRA, LLC
BIG LOTS, INC.
ING CORPORATE CREDIT RISK MANAGEMENT
GSO CAPITAL PARTNERS LP
ING NORTH AMERICA
J.C. PENNEY CORPORATION INC.
KING & SPALDING LLP
KIRKLAND & ELLIS LLP
KRAMER, LEVIN, NAFTALIS & FRANKEL, LLP
MATTRESS FIRM HOLDING CORP
MATTRESS PRO
"BEDTIME MATTRESS
CO., INC."
STEINHOFF INTERNATIONAL HOLDINGS NV
ORRICK, HERRINGTON & SUTCLIFFE, LLP
PRICESMART, INC.
PROSKAUER ROSE, LLP
WELLS FARGO
WELLS FARGO CAPITAL FINANCE, INC.

WELLS FARGO & COMPANY
WELLS FARGO ADVISORS
WELLS FARGO BANK N.A.
WELLS FARGO CAPITAL FINANCE
WELLS FARGO, NA

HOULIHAN LOKEY FINANCIAL RESTRUCTURING GROUP – ACTIVE ENGAGEMENTS
ALLSTATE CORPORATION
ING INVESTMENT MANAGEMENT AMERICAS
GSO CAPITAL PARTNERS LP
KRAMER, LEVIN, NAFTALIS & FRANKEL, LLP
ING BANK NV
WELLS FARGO BANK, N.A.

HOULIHAN LOKEY FINANCIAL RESTRUCTURING GROUP – CLOSED ENGAGEMENTS
ING GROEP N.V.
NATIONWIDE MUTUAL INSURANCE COMPANY
WELLS FARGO BANK, N.A.
BLACKSTONE/GSO DEBT FUNDS MANAGEMENT EUROPE LIMITED
GSO CAPITAL PARTNERS LP
GOODMANS, LLP
KING & SPALDING, LLP
KIRKLAND & ELLIS LLP
KRAMER, LEVIN, NAFTALIS & FRANKEL, LLP
WELLS FARGO CAPITAL FINANCE
WELLS FARGO SECURITIES, LLC
ING PILGRIM GROUP
PROSKAUER ROSE, LLP
WELLS FARGO
WELLS FARGO & COMPANY
OSLER, HOSKIN & HARCOURT, LLP
PENNANTPARK INVESTMENT CORPORATION

THIS IS EXHIBIT "F" REFERRED TO IN THE AFFIDAVIT OF EVAN BARZ SWORN ON AUGUST 2, 2019.

Commissioner for Taking Affidavits

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
HOLLANDER SLEEP PRODUCTS, LLC., *et al.*,[1]	)	Case No. 19-11608 (MEW)
Debtors.	)	(Jointly Administered)
	)	**Re: Docket No. 69**

ORDER (A) AUTHORIZING THE EMPLOYMENT AND RETENTION OF HOULIHAN LOKEY CAPITAL, INC. AS FINANCIAL ADVISOR AND INVESTMENT BANKER TO THE DEBTORS *NUNC PRO TUNC* TO THE PETITION DATE, (B) APPROVING THE TERMS OF THE ENGAGEMENT AGREEMENT, (C) WAIVING CERTAIN TIME-KEEPING REQUIREMENTS, AND (D) GRANTING RELATED RELIEF

Upon the application (the "Application")[2] of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of an order (this "Order"), (a) authorizing the employment and retention of Houlihan Lokey Capital, Inc. ("Houlihan Lokey") as its financial advisor and investment banker pursuant to the terms of the Engagement Agreement dated as of May 2, 2019, a copy of which is attached hereto as **Exhibit 1** (the "Engagement Agreement"), (b) approving the provisions of the Engagement Agreement, including the proposed compensation arrangement set forth in the Application, under section 328(a) of title 11 of the United States Code (the "Bankruptcy Code"), (c) waiving certain time-keeping requirements under Bankruptcy Rule 2016(a), Local Rule 2016-1, the Amended Guidelines, and the UST Guidelines, and (d) granting related relief, all as more fully set forth in the Application; and upon the Burian Declaration; and

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors' service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

[2] Capitalized terms used but not defined herein shall have the meanings given to them in the Application.

this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and the Amended Standing Order; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found that it may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Application in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Application is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Application and opportunity for a hearing on the Application were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Application and having heard the statements in support of the relief requested therein at a hearing, if any, before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Application and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED:

1. The Application is granted to the extent set forth in this Order.

2. The retention and employment of Houlihan Lokey as financial advisor and investment banker to the Debtors pursuant to sections 327 and 328(a) of the Bankruptcy Code, Bankruptcy Rules 2014(a) and 2016, and Local Rules 2014-1 and 2016-1, *nunc pro tunc* to the Petition Date, on the terms and conditions set forth in the Engagement Agreement and the Application, is approved, subject to the terms of this Order and the following modifications to the Engagement Agreement as set forth herein.

3. None of the fees payable to Houlihan Lokey, pursuant to the Engagement Agreement, shall constitute a "bonus" or fee enhancement under applicable law.

4. Houlihan Lokey shall file interim and final fee applications for allowance of compensation and reimbursement of expenses, including without limitation, any Monthly Fees and/or Transaction Fees, pursuant to sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, the *Order Establishing Procedures for Monthly Compensation and Reimbursement of Expenses of Professionals*, dated December 21, 2010 (General Order M-412), the Amended Guidelines, and any other orders of the Court; *provided, however*, that the interim and final fee applications filed by Houlihan Lokey shall be subject to review only pursuant to the standard of review set forth in section 328 of the Bankruptcy Code and not subject to the standard of review set forth in section 330 of the Bankruptcy Code, except as otherwise expressly set forth herein.

5. Notwithstanding the preceding paragraph, the U.S. Trustee and the Court shall retain the right to object to the compensation and fees and expenses to be paid to Houlihan Lokey pursuant to the Application and the Engagement Agreement, based on the reasonableness standard provided for in section 330 of the Bankruptcy Code, and the Court shall consider any such objection by the U.S. Trustee under section 330 of the Bankruptcy Code; *provided* that reasonableness for this purpose shall include, among other things, an evaluation by comparing the fees payable in this case to the fees paid to other investment banking firms for comparable services in other chapter 11 cases and outside of chapter 11 cases, and shall not be evaluated primarily on the basis of time committed or the length of these cases.

6. The Debtors are authorized to employ and retain and compensate and reimburse Houlihan Lokey pursuant to the terms of the Engagement Agreement as modified by this Order.

7. Notwithstanding Section 3(ii)(a) of the Engagement Agreement, the Restructuring Transaction Fee shall be payable, if at all, upon the effective date of a plan as opposed to confirmation of the plan.

8. Notwithstanding anything to the contrary in the Engagement Agreement, in the event that a Sale Transaction is consummated and Houlihan Lokey is paid a Sale Transaction Fee in connection therewith, upon the consummation of a subsequent Restructuring Transaction, including a plan of liquidation, Houlihan Lokey shall be entitled to receive an additional restructuring transaction fee in the amount of $350,000.00, $300,000.00, or $250,000.00, as applicable, as if such Restructuring Transaction was a Sale Transaction and not a standalone Restructuring Transaction.

9. Notwithstanding Section 3(ii)(d)(III) of the Engagement Agreement, the Court is not presently approving the provisions of the Engagement Agreement relating to the provision of services with respect to an equity or equity-linked securities Financing Transaction or the payment of a Financing Transaction Fee in respect of such a transaction, without prejudice to the Debtors' right to file a subsequent application with respect to approval of any such services and fees.

10. Notwithstanding anything to the contrary in the Engagement Agreement, if the Debtors cease operations and elect to liquidate all or substantially all of their assets prior to any Sale Transaction, Houlihan Lokey shall not be entitled to a Restructuring Transaction Fee or a Sale Transaction Fee.

11. Notwithstanding anything to the contrary in the Engagement Agreement, to the extent the Debtors wish to expand the scope of Houlihan Lokey's services beyond those services approved in this Order or pay additional fees to Houlihan Lokey that are not the Monthly Fees or Transaction Fees described in the Engagement Agreement and approved in this Order, the Debtors

shall be required to seek further approval from this Court. The Debtors shall file notice of any proposed additional services or fees and any underlying engagement agreement with the Court and serve such notice on the U.S. Trustee, the Official Committee of Unsecured Creditors appointed in these cases, and any party requesting notice under Bankruptcy Rule 2002. If no such party files an objection within 21 days of the Debtors filing such notice, the additional services and fees and any underlying engagement agreement may be approved by the Court by further order without further notice or hearing.

12. The terms of Section 19 of the Engagement Agreement are not approved and are deemed to have been removed from the Engagement Agreement.

13. Pursuant to the terms of the Engagement Agreement, the Aggregate Gross Consideration incentive thresholds in section 3(ii)(b) have been agreed to by the parties and such thresholds have been disclosed to the U.S. Trustee and the Official Committee of Unsecured Creditors and memorialized in a Side Letter that is to be filed under seal pursuant to an Order dated July 8, 2019 [Docket NO. 187].

14. Houlihan Lokey shall include in its interim and final fee applications, among other things, time records setting forth, in a summary format, a description of the services rendered by each professional, and the amount of time spent on each date by each such individual in rendering services on behalf of the Debtors in half-hour (0.5) increments, and Houlihan Lokey shall be excused from keeping time in tenth-hour increments.

15. Notwithstanding anything in the Application or the Engagement Agreement to the contrary, Houlihan Lokey shall (i) to the extent that Houlihan Lokey uses the services of independent contractors, subcontractors or employees of foreign affiliates or subsidiaries (collectively, the "Contractors") in these cases, Houlihan Lokey shall pass-through the cost of such

Contractors to the Debtors at the same rate that Houlihan Lokey pays the Contractors, (ii) seek reimbursement for actual costs only, (iii) ensure that the Contractors are subject to the same conflict checks as required for Houlihan Lokey, and (iv) file with the Court such disclosures required by Bankruptcy Rule 2014.

16. In the event that, during the pendency of these cases, Houlihan Lokey seeks reimbursement for any attorneys' fees and/or expenses pursuant to the terms of the Engagement Agreement (as modified by this Order), the invoices and supporting time records from such attorneys, appropriately redacted to preserve applicable privileges, shall be included in Houlihan Lokey's own fee applications, and such invoices and time records shall be in compliance with the Local Rules, and shall be subject to the Amended Guidelines, the UST Guidelines and the approval of the Bankruptcy Court pursuant to sections 330 and 331 of the Bankruptcy Code without regard to whether such attorneys have been retained under section 327 of the Bankruptcy Code, and without regard to whether such attorneys' services satisfy section 330(a)(3)(C) of the Bankruptcy Code.

17. The Debtors shall be bound by the indemnification, reimbursement, contribution, and exculpation provisions set forth in the Engagement Agreement, subject during the pendency of these cases to the following:

a. subject to the provisions of subparagraphs (b) and (c) below, the Debtors are authorized to indemnify, and shall indemnify, Houlihan Lokey and the other Indemnified Parties for any claims arising out of or related to Houlihan Lokey's engagement under, or any matter referred to in, the Engagement Agreement and/or the services to be provided by Houlihan Lokey as specified in the Application, but not for any claim arising from, related to, or in connection with Houlihan Lokey's performance of any other services other than those in connection with the engagement, unless such services and indemnification therefor are approved by this Court;

b. the Debtors shall have no obligation to indemnify Houlihan Lokey for any claim or expense that is either (i) judicially determined (the determination

having become final) to have resulted primarily from Houlihan Lokey's actual fraud, gross negligence, bad faith, breach of fiduciary duty (if any), self dealing, or willful misconduct, or (ii) settled prior to a judicial determination as to Houlihan Lokey's actual fraud, gross negligence, bad faith, breach of fiduciary duty (if any), self dealing, or willful misconduct, but determined by this Court, after notice and a hearing pursuant to subparagraph (c) infra, to be a claim or expense for which Houlihan Lokey is not entitled to receive indemnity under the terms of the Engagement Agreement as modified by this Order; and

c. if, before the earlier of (i) the entry of an order confirming a chapter 11 plan in these cases (that order having become a final order no longer subject to appeal), and (ii) the entry of an order closing these chapter 11 cases, any Indemnified Party believes that it is entitled to the payment of any amounts by the Debtors on account of the Debtors' indemnification, reimbursement, and/or contribution obligations under the Engagement Agreement (as modified by this Order), including, without limitation, the advancement of defense costs, such Indemnified Party must file an application therefor in this Court, and the Debtors may not pay any such amounts to Houlihan Lokey before the entry of an order by this Court approving the payment. This subparagraph (c) is intended only to specify the period of time under which the Court shall have jurisdiction over any request for fees and expenses by Indemnified Parties for indemnification, contribution, or reimbursement, and not as a provision limiting the duration of the Debtors' obligation to indemnify or provide contribution or reimbursement to Houlihan Lokey.

18. The second paragraph of Section 22 of the Engagement Agreement shall not apply during these chapter 11 cases unless otherwise ordered by the Court.

19. For the avoidance of doubt, the fourth paragraph of Section 22 of the Engagement Agreement shall not apply to any third-party purchaser of the Debtors' assets during these chapter 11 cases.

20. Notwithstanding Section 22 of the Engagement Agreement, unless otherwise ordered by the Court, the indemnity, reimbursement, and other obligations and agreements of the Company set forth therein shall not apply to any services provided by Houlihan Lokey in connection with this engagement prior to the Petition Date.

21. Houlihan Lokey shall be compensated in accordance with the procedures set forth in the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, this Order, and any other applicable orders of this Court.

22. Houlihan Lokey shall use its best efforts, and will coordinate with the Debtors and its other retained professionals, not to duplicate any of the services provided to the Debtors by any of its other retained professionals.

23. To the extent that there may be any inconsistency between the terms of the Application, the Burian Declaration, the Engagement Agreement, and this Order, the terms of this Order shall govern.

24. Notice of the Application as provided therein shall be deemed good and sufficient notice of such Application and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

25. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon its entry.

26. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Application.

27. Notwithstanding anything to the contrary in the Engagement Agreement, including Section 21 therein, this Court shall have exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order and any

disputes relating to the Engagement Agreement, including the Transaction Fees or the services provided by Houlihan Lokey.

New York, New York
Dated: July 10, 2019

s/Michael E. Wiles
THE HONORABLE MICHAEL E. WILES
UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

Engagement Agreement

HOULIHAN LOKEY

Personal and Confidential

As of May 02, 2019

Hollander Sleep Products, LLC
6501 Congress Avenue Suite 300
Boca Raton, FL 33487
Attn: Marc Pfefferle

Dear Ladies and Gentlemen:

This letter agreement (this "Agreement") confirms the terms under which Dream II Holdings, LLC, Hollander Sleep Products, LLC, Hollander Home Fashions Holdings, LLC, Hollander Sleep Products Kentucky, LLC, Pacific Coast Feather, LLC, Pacific Cost Feather Cushion, LLC and Hollander Sleep Products Canada Limited, (collectively with their direct and indirect subsidiaries, the "Company") has engaged Houlihan Lokey Capital, Inc. ("Houlihan Lokey"), effective as of the date indicated above (the "Effective Date"), as its financial advisor to provide financial advisory and investment banking services in connection with a financial restructuring or reorganization of, and/or one or more sale transactions, and/or one or more financing transactions for, the Company, as well as such other financial matters as to which the Company and Houlihan Lokey may agree in writing during the term of this Agreement.

1. **Services**. In connection with each potential Transaction (as defined below), Houlihan Lokey will assist and advise the Company with the analysis, evaluation, pursuit and effectuation of any such Transaction. Houlihan Lokey's services will consist of, if appropriate and if requested by the Company, (i) assisting the Company in the development and distribution of selected information, documents and other materials, including, if appropriate, advising the Company in the preparation of an offering memorandum (it being expressly understood that the Company will remain solely responsible for such materials and all of the information contained therein); (ii) assisting the Company in evaluating indications of interest and proposals regarding any Transaction(s) from current and/or potential lenders, equity investors, acquirers and/or strategic partners; (iii) assisting the Company with the negotiation of any Transaction(s), including participating in negotiations with creditors and other parties involved in any Transaction(s); (iv) providing expert advice and testimony regarding financial matters related to any Transaction(s), if necessary; (v) attending meetings of the Company's Board of Directors, creditor groups, official constituencies and other interested parties, as the Company and Houlihan Lokey mutually agree; and (vi) providing such other financial advisory and investment banking services as may be required by additional issues and developments not anticipated on the Effective Date, as described in Section 10 of this Agreement.

2. **Exclusive Agency.** The Company agrees that neither it nor its management will initiate any discussions regarding a Transaction during the term of this Agreement, except with prior consultation with Houlihan Lokey. In the event the Company or its management receives any inquiry regarding a Transaction from any party, the Company shall promptly inform Houlihan Lokey of such inquiry so that Houlihan Lokey can assist the Company in evaluating such party and its interest in a Transaction and in any resulting negotiations.

3. **Fees.** In consideration of Houlihan Lokey's acceptance of this engagement, the Company shall pay the following:

(i) *Monthly Fees*: In addition to the other fees provided for herein, upon the Effective Date, and on every monthly anniversary of the Effective Date during the term of this Agreement, the Company shall pay Houlihan Lokey in advance, without notice or invoice, a nonrefundable cash fee of $100,000 ("Monthly Fee") for a minimum of four months from the Effective Date (collectively, the "Minimum Monthly Fees"). Each Monthly Fee shall be earned upon Houlihan Lokey's receipt thereof in consideration of Houlihan Lokey accepting this engagement and performing services as described herein. If this Agreement is terminated before the end of fourth month from the Effective Date, the Company hereby agrees to pay to Houlihan Lokey, on the effective date of such termination, the unpaid amount of the Minimum Monthly Fees.

(ii) *Transaction Fee(s)*: In addition to the other fees provided for herein, the Company shall pay Houlihan Lokey the following transaction fee(s):

a. *Restructuring Transaction Fee*. Upon the earlier to occur of: (I) in the case of an out-of-court Restructuring Transaction (as defined herein), the closing of such Restructuring Transaction; and (II) in the case of an in-court Restructuring Transaction, the date of confirmation of a plan of reorganization or liquidation under Chapter 11 of the Bankruptcy Code (as defined below) pursuant to an order of the applicable bankruptcy court, Houlihan Lokey shall earn, and the Company shall promptly pay to Houlihan Lokey, a cash fee ("Restructuring Transaction Fee") of $1,000,000; provided that, in the event that one or more Sale Transactions (as defined below) have occurred prior to the consummation of a Restructuring Transaction and the Restructuring Transaction consists of a plan or other reorganization concerning the remaining assets of the Company versus merely a liquidation and distribution of the relevant sale proceeds to creditors, the Restructuring Transaction Fee shall be reduced to the applicable multiple transaction fee as described in section 3(ii)(c);

b. *Sale Transaction Fee.* Upon the closing of a Sale Transaction (as defined herein), Houlihan Lokey shall earn, and the Company shall thereupon pay immediately and directly from the gross proceeds of such Sale Transaction, as a cost of such Sale Transaction, a cash fee ("Sale Transaction Fee") of $1,000,000 plus 3.0% of the combined AGC (as defined herein) above a threshold to be agreed upon in good faith by Houlihan Lokey and Barings, as agent for the Term Loan or by the Bankruptcy Court (for all consummated Sale Transactions and all asset sales by third party liquidators or other similar asset disposition specialist), and 5.0% of the combined AGC in excess of a higher threshold to be agreed upon in good faith by Houlihan Lokey and Barings, as agent for the Term Loan or by the Bankruptcy Court (for all consummated Sale Transactions and all asset sales by third party liquidators or other similar asset disposition specialist);

c. *Subsequent Sale Transaction Fee.* If multiple Sale Transactions are consummated under the term of this Agreement, or one Sale Transaction followed by consummation of a plan

of reorganization or liquidation, for each additional Sale Transaction, Houlihan Lokey shall earn, and the Company shall thereupon pay immediately and directly from the gross proceeds of such Sale Transaction, as a cost of such Sale Transaction, a cash fee (each being a "Subsequent Sale Transaction Fee") of:

i. $350,000 for the first subsequent Sale Transaction;

ii. $300,000 for the second subsequent Sale Transaction; and

iii. $250,000 for any subsequent Sale Transaction thereafter

Provided that under no circumstance will any Subsequent Sale Transaction Fee represent more than 10% of the AGC (as defined herein) of such subsequent Sale Transaction. The delta between the actual subsequent Sale Transaction Fee and the respective Sale Transaction Fee determined pursuant to Section 3 (c) (i), (ii), and (iii), above shall be added to the next subsequent Sale Transaction fee in Section 3 (c), if any;

d. *Financing Transaction Fee.* Upon the closing of each Financing Transaction (as defined herein), Houlihan Lokey shall earn, and the Company shall thereupon pay immediately and directly from the gross proceeds of such Financing Transaction, as a cost of such Financing Transaction, a cash fee ("Financing Transaction Fee") equal to the sum of: (I) 1.5% of the gross proceeds of any indebtedness raised or committed that is senior to other indebtedness of the Company, secured by a first priority lien and unsubordinated, with respect to both lien priority and payment, to any other obligations of the Company (other than with respect to debtor-in-possession financing); (II) 3.0% of the gross proceeds of any indebtedness raised or committed that is secured by a lien (other than a first lien), is unsecured and/or is subordinated; and (III) 5.0% of the gross proceeds of all equity or equity-linked securities (including, without limitation, convertible securities and preferred stock) placed or committed. Any warrants issued in connection with the raising of debt or equity capital shall, upon the exercise thereof, be considered equity for the purpose of calculating the Financing Transaction Fee, and such portion of the Financing Transaction Fee shall be paid upon such exercise and from the gross proceeds thereof, regardless of any prior termination or expiration of this Agreement. It is understood and agreed that if the proceeds of any such Financing Transaction are to be funded in more than one stage, Houlihan Lokey shall be entitled to its applicable compensation hereunder upon the closing date of each stage. The Financing Transaction Fee(s) shall be payable in respect of any sale of securities whether such sale has been arranged by Houlihan Lokey, by another agent (or other issuer of the Securities (as defined below) in such Financing Transaction) or directly by the Company. Any non-cash consideration provided to or received in connection with the Financing Transaction (including but not limited to intellectual or intangible property) shall be valued for purposes of calculating the Financing Transaction Fee as equaling the number of Securities issued in exchange for such consideration multiplied by (in the case of debt securities) the face value of each such Security or (in the case of equity securities) the price per Security paid in the then current round of financing. The fees set forth herein shall be in addition to any other fees that the Company may be required to pay to any investor or other purchaser of Securities to secure its financing commitment.

Any Restructuring Transaction Fee, Sale Transaction Fee, Subsequent Sale Transaction Fee, and Financing Transaction Fee is each referred to herein as a "Transaction Fee" and are collectively referred to

herein as "Transaction Fees." All payments received by Houlihan Lokey pursuant to this Agreement at any time shall become the property of Houlihan Lokey without restriction. No payments received by Houlihan Lokey pursuant to this Agreement will be put into a trust or other segregated account.

4. **Term and Termination.** This Agreement may be terminated at any time by either party upon thirty days' prior written notice of termination to the other party. The expiration or termination of this Agreement shall not affect (i) any provision of this Agreement other than Sections 1 through 3 and (ii) Houlihan Lokey's right to receive, and the Company's obligation to pay, any and all fees, expenses, and other amounts due, as set forth herein, whether or not any Transaction shall be consummated prior to or subsequent to the effective date of expiration or termination, as more fully set forth in this Agreement.

In addition, notwithstanding the expiration or termination of this Agreement, Houlihan Lokey shall be entitled to full payment by the Company of the Transaction Fees described in this Agreement: (i) so long as a Transaction is consummated during the term of this Agreement, or within 12 months after the date of expiration or termination of this Agreement ("Tail Period"), and/or (ii) if an agreement in principle to consummate a Transaction is executed by any entity comprising the Company during the term of this Agreement, or within the Tail Period, and such Transaction is consummated at any time following such execution with the counterparty named in such agreement, or with any affiliate or employee of, or investor in, such counterparty, or any affiliate of any of the foregoing.

5. **Agreement from Secured Lenders.** Houlihan Lokey's obligations to provide the services described herein are contingent upon, and expressly subject to, the execution of a waiver, subordination or similar agreement, in form and substance satisfactory to Houlihan Lokey, pursuant to which the Company's senior secured lenders consent to the performance of the Company's obligations under this Agreement, including, without limitation, the Company's payment of Houlihan Lokey's fees and expenses, herein , as a cost of any Transaction and free and clear of such lenders' security interests in the Company's assets.

6. **Transaction.** As used in this Agreement, the term "Transaction" shall mean any of the following:

(i) *Restructuring Transaction*. The consummation of any plan of reorganization or, following a Sale Transaction, plan of liquidation under the Bankruptcy Code, or any transaction or series of transactions that constitute a recapitalization, or restructuring of the equity and/or debt securities and/or other indebtedness, obligations or liabilities (including, without limitation, preferred stock, partnership interests, lease obligations, trade credit facilities, collective bargaining agreements and other contract or tort obligations) of any entity comprising the Company, including accrued and/or accreted interest thereon, which are outstanding as of the Effective Date, including, without limitation, interest bearing trade debt and the Company's Third Amended and Restated Credit Agreement dated as of June 9, 2017 (as amended, supplemented or otherwise modified from time to time) and the Company's Term Loan Credit Agreement dated as of June 9, 2017 (as amended, supplemented or otherwise modified from time to time), which recapitalization or restructuring is effected pursuant to an exchange transaction, tender offer, a plan of reorganization or liquidation under the Bankruptcy Code, a solicitation of consents, waivers, acceptances or authorizations, any change of control transaction, any refinancing, sale, acquisition, merger, repurchase, exchange, conversion to equity, cancellation, forgiveness, retirement and/or a modification or amendment to the terms, conditions, or covenants (including, without limitation, the principal balance, accrued or accreted interest, payment term, other debt service requirement and/or financial or operating covenant) of any agreements or instruments governing any of the equity and/or debt securities and/or other indebtedness of any entity comprising the Company (such modification or amendment shall include, without limitation, any forbearance for at least 12 months with

respect to any payment obligation) or any combination of the foregoing transactions (each a "Restructuring Transaction");

(ii) *Sale Transaction*. Any transaction or series of related transactions that constitute the disposition to one or more third parties (including, without limitation, any person, group of persons, partnership, corporation or other entity, and also including, among others, any of the existing owners, shareholders, employees, or creditors of any entity comprising the Company and/or the affiliates of each) in one or a series of related transactions of (a) a material portion of the equity securities of any entity comprising the Company or any interest held by any entity comprising the Company and/or (b) any material portion of the assets (including the assignment of any executory contracts) or operations of any entity comprising the Company or any joint venture or partnership or other entity formed by it, in either case, including, without limitation, through a sale or exchange of capital stock, options or assets with or without a purchase option, a merger, consolidation or other business combination, an exchange or tender offer, a recapitalization, the formation of a joint venture, partnership or similar entity, or any similar transaction, including, without limitation, any sale transaction under Sections 363, 1129 or any other provision of Title 11, United States Code (11 U.S.C. §§ 101 et seq.) (the "Bankruptcy Code") (each a "Sale Transaction"); provided, that notwithstanding the foregoing, the sale of *de minimis* assets under which the Company has engaged a third party liquidator or other similar asset disposition specialist (as agreed to in good faith by the Company and Houlihan Lokey) shall not constitute a Sale Transaction; or

(iii) *Financing Transaction.* (a) Any transaction or series of related transactions that constitutes any refinancing of all or any portion of the existing obligations of any entity comprising the Company and/or (b) the placement, raising or issuance of any form of equity, equity-linked or debt securities (including, without limitation, any convertible securities, preferred stock, unsecured, non-senior or subordinated debt securities, and/or senior notes or bank debt) or any loan or other financing, including any "debtor in possession financing" or "exit financing" in connection with a case under the Bankruptcy Code by any entity comprising the Company (any or all of which being "Securities"), from any source excluding, any of the existing owners, shareholders, employees, or lenders, including any successors thereto, of any entity comprising the Company (whether or not such transaction is effectuated in-court, out-of-court, through the confirmation of a plan of reorganization or otherwise under the Bankruptcy Code, or whether the requisite consents to such transaction(s) are obtained in-court or out-of-court) (each a "Financing Transaction").

7. **Aggregate Gross Consideration ("AGC").** For the purpose of calculating the Sale Transaction Fee and Subsequent Transaction Fees, the AGC shall be the gross proceeds and other consideration paid to, or received by, or to be paid to or received by, any entity comprising the Company, or any of its equity or debt holders, or other parties in interest, including, without limitation, holders of warrants and convertible securities, and holders of options or stock appreciation rights, whether or not vested (collectively "Constituents"), in connection with the relevant Sale Transaction, or any asset sales by third party liquidators or other similar asset disposition specialist. Such proceeds and consideration shall be deemed to include, without limitation: amounts in escrow and any deposits or other amounts forfeited by any investor; cash, notes, securities, and other property; payments made in installments; Contingent Payments (as defined below) and/or insurance proceeds upon the occurrence of an insurable event that diminishes the value of the Company. Upon the closing of a Sale Transaction in which less than 100% of the ownership of the equity interests are sold, the AGC shall be calculated as if 100% of the ownership of the equity interests of the Company on a fully diluted basis had been sold by dividing (i) the total consideration, whether in cash, securities, notes or other forms of consideration, received or receivable by the Company and/or its Constituents by (ii) the percentage of ownership which is sold. If, in the Sale Transaction, no consideration

is being paid in respect of the existing equity, AGC of the retained equity shall be determined by the good faith agreement of the parties as to the value of such retained equity implied by the Sale Transaction. In addition, if any of the liabilities of any entity comprising the Company are assumed, decreased, reinstated, satisfied or otherwise paid off in conjunction with a Sale Transaction (by any entity comprising the Company or any investor, in the form of "cure" payments or otherwise), or any of the assets of any entity comprising the Company are sold or otherwise transferred outside of the Company's ordinary course of business to another party prior to the closing of a Sale Transaction (including, without limitation, any dividends or distributions paid to security holders or amounts paid to repurchase any securities) or are retained by any entity comprising the Company after the closing of the Sale Transaction, the AGC will be increased to reflect the face value of any such liabilities and the fair market value of any such assets. Contingent Payments shall be defined as the consideration received or receivable by the Company, or any of its Constituents and/or any other parties in the form of deferred performance-based payments, "earn-outs", or other contingent payments based upon the future performance of any entity comprising the Company, or any of its businesses or assets.

8. **Value of Consideration.** For the purpose of calculating the AGC received in a Sale Transaction, any securities, other than a promissory note, will be valued at the time of the closing of the Sale Transaction, without regard to any restrictions on transferability, as follows: (i) if such securities are traded on a stock exchange, the securities will be valued at the average last sale or closing price for the ten trading days immediately prior to the closing of the Sale Transaction; (ii) if such securities are traded primarily in over-the-counter transactions, the securities will be valued at the mean of the closing bid and asked quotations similarly averaged over a ten trading day period immediately prior to the closing of the Sale Transaction; and (iii) if such securities have not been traded prior to the closing of the Sale Transaction, Houlihan Lokey and the Company shall negotiate in good faith to agree on a fair valuation thereof, without regard to any restrictions on transferability, for the purposes of calculating the AGC. For any lease payments and other consideration that is not freely tradable or has no established public market, if the consideration utilized consists of property other than securities, then the value of such property shall be the fair market value thereof as determined in good faith by Houlihan Lokey and the Company. If any consideration to be paid is computed in any foreign currency, the value of such foreign currency shall, for purposes hereof, be converted into U.S. dollars at the prevailing exchange rate on the date or dates on which such consideration is payable. The value of any purchase money or other promissory notes shall be deemed to be the face amount thereof. In the event the AGC includes any Contingent Payments, Houlihan Lokey's Transaction Fee shall be calculated based on the mutually agreed value of such Contingent Payments as of closing. If the parties cannot reach such an agreement, an additional Sale Transaction Fee shall be paid to Houlihan Lokey from, and on account of, such Contingent Payments at the same time that each of such Contingent Payments are received regardless of any prior termination or expiration of this Agreement. Each such additional Sale Transaction Fee shall be calculated pursuant to the provisions of this Agreement based upon the amount of each such Contingent Payment.

9. **Characterization of Multiple and/or Complex Transactions.** In the event the Company and Houlihan Lokey are unable to agree in good faith upon the classification of any single Transaction as a Restructuring Transaction, Sale Transaction or Financing Transaction, or if a single Transaction with only one third party shall consist of two, or more, of the foregoing types of Transactions, or elements thereof, Houlihan Lokey shall receive only one Transaction Fee in respect of such Transaction, which shall be equal to the greater of the Restructuring Transaction Fee, Sale Transaction Fee or Financing Transaction Fee, as applicable, as calculated in accordance with the terms of this Agreement. For the avoidance of doubt, if two or more single Transactions occur simultaneously or at different times, whether or not they are connected with or related to one another, the Company shall pay Houlihan Lokey the Transaction Fee for each such Transaction in addition to, and not in lieu of, each other.

10. **Reasonableness of Fees.** The parties acknowledge that this engagement will require a substantial professional commitment of time and effort by Houlihan Lokey. Moreover, the amount of time and effort may vary substantially during different periods of the engagement. As a result, in order to ensure the availability of all necessary professional resources, whenever required, Houlihan Lokey may be foreclosed from pursuing other alternative engagement opportunities. In light of the foregoing, and given: (i) the numerous issues which can currently be anticipated in engagements such as this, (ii) Houlihan Lokey's commitment to the variable level of time and effort necessary to address such issues, (iii) the expertise and capabilities of Houlihan Lokey that will be required in this engagement, and (iv) the market rate for Houlihan Lokey's services of this nature, whether in-court or out-of-court, the parties agree that the fee arrangement provided for herein is reasonable, fairly compensates Houlihan Lokey, and provides the requisite certainty to the Company. The parties further agree and acknowledge that: (a) additional issues and developments, not currently anticipated, may arise and have an impact upon the services to be rendered by Houlihan Lokey hereunder, and may result in substantially more work and/or services being performed by Houlihan Lokey than is anticipated at this time; and (b) as a result of such unanticipated issues and/or developments, the results of Houlihan Lokey's services under this Agreement may also be substantially more beneficial than anticipated at this time. Accordingly, in the event of the occurrence of (a) and/or (b), in the prior sentence, each of the parties to this Agreement may, at the conclusion of the services rendered by Houlihan Lokey pursuant hereto, agree to a modification of the Transaction Fees described herein to more appropriately reflect the actual work performed, services rendered and/or any extraordinary results achieved by Houlihan Lokey pursuant to its engagement hereunder.

11. **Expenses.** In addition to all of the other fees and expenses described in this Agreement, and regardless of whether any Transaction is consummated, the Company shall, upon Houlihan Lokey's request, reimburse Houlihan Lokey for its reasonable and documented out-of-pocket expenses incurred from time to time in connection with its services hereunder. Houlihan Lokey bills its clients for its reasonable out-of-pocket expenses including, but not limited to (i) travel-related and certain other expenses, without regard to volume-based or similar credits or rebates Houlihan Lokey may receive from, or fixed-fee arrangements made with, travel agents, airlines or other vendors, and (ii) research, database and similar information charges paid to third party vendors, and reprographics expenses, to perform client-related services that are not capable of being identified with, or charged to, a particular client or engagement in a reasonably practicable manner, based upon a uniformly applied monthly assessment or percentage of the fees due to Houlihan Lokey.

Houlihan Lokey shall, in addition, be reimbursed by the Company for the reasonable and documented fees and expenses of Houlihan Lokey's legal counsel incurred in connection with the negotiation and performance of this Agreement and the matters contemplated hereby.

12. **Invoicing and Payment.** All amounts payable to Houlihan Lokey shall be made in lawful money of the United States in accordance with the payment instructions set forth on the invoice provided with this Agreement, or to such accounts as Houlihan Lokey shall direct, and the Company shall provide contemporaneous written notice of each such payment to Houlihan Lokey. All amounts invoiced by Houlihan Lokey shall be exclusive of value added tax, withholding tax, sales tax and any other similar taxes ("Taxes"). All amounts charged by Houlihan Lokey will be invoiced together with Taxes where appropriate.

13. **Information.** The Company will provide Houlihan Lokey with access to management and other representatives of the Company and other participants in any Transaction, as reasonably requested by Houlihan Lokey. The Company will furnish Houlihan Lokey with such information as Houlihan Lokey may reasonably request for the purpose of carrying out its engagement hereunder, all of which will be, to the Company's best knowledge, accurate and complete at the time furnished. In addition, with respect to financial forecasts and projections that may be furnished to or discussed with Houlihan Lokey by the

Company or any other entity, Houlihan Lokey will be entitled to assume that such financial forecasts and projections have been or will be reasonably prepared in good faith on bases reflecting the best currently available estimates and judgments of the Company's or such other entity's management, as the case may be, as to the matters covered thereby. The Company will promptly notify Houlihan Lokey in writing of any material inaccuracy or misstatement in, or material omission from, any information previously delivered to, or discussed with, Houlihan Lokey, or any materials provided to any interested party. Houlihan Lokey shall rely, without independent verification, on the accuracy and completeness of all information that is publicly available and of all information furnished by or on behalf of the Company or any other potential party to any Transaction or otherwise reviewed by, or discussed with, Houlihan Lokey. The Company understands and agrees that Houlihan Lokey will not be responsible for the accuracy or completeness of such information, and shall not be liable for any inaccuracies or omissions therein. The Company acknowledges that Houlihan Lokey has no obligation to conduct any appraisal of any assets or liabilities of the Company or any other party or to evaluate the solvency of any party under any applicable laws relating to bankruptcy, insolvency or similar matters. Houlihan Lokey's role in reviewing any information is limited solely to performing such a review as it shall deem necessary to support its own advice and analysis and shall not be on behalf of any other party. Any advice (whether written or oral) rendered by Houlihan Lokey pursuant to this Agreement is intended solely for the use of the Board of Directors of the Company (solely in its capacity as such) in evaluating a Transaction, and such advice may not be relied upon by any other person or entity or used for any other purpose. Any advice rendered by, or other materials prepared by, or any communication from, Houlihan Lokey may not be disclosed, in whole or in part, to any third party, or summarized, quoted from, or otherwise referred to in any manner without the prior written consent of Houlihan Lokey. In addition, neither Houlihan Lokey nor the terms of this Agreement may otherwise be referred to without our prior written consent=.

14. **Confidential Information.** Houlihan Lokey acknowledges that, in connection with the services to be provided pursuant to this Agreement, certain confidential, non-public and proprietary information concerning the Company and the Transaction ("Confidential Information") has been or may be disclosed by the Company to Houlihan Lokey, any of its affiliates, or any of their respective agents, advisors, accountants, attorneys, employees, subcontractors, officers, directors and other representatives (collectively, "Representatives"). Houlihan Lokey agrees that, without the Company's prior consent, no Confidential Information will be disclosed, in whole or in part, to any other party (other than to any potential party to a Transaction under appropriate assurances of confidentiality, to those Representatives who need access to any Confidential Information for purposes of performing the services to be provided hereunder, or as may be required by law or regulatory authority). The term "Confidential Information" does not include any information: (a) that was already in the possession of Houlihan Lokey or any of its Representatives, or that was available to Houlihan Lokey or any of its Representatives on a non-confidential basis, prior to the time of disclosure to Houlihan Lokey or such Representatives; (b) obtained by Houlihan Lokey or any of its Representatives from a third party which, insofar as is known to Houlihan Lokey or such Representatives, is not subject to any prohibition against disclosure; (c) which was or is independently developed by Houlihan Lokey or any of its Representatives without violating any confidentiality obligations under this paragraph; or (d) which was or becomes generally available to the public through no fault of Houlihan Lokey. If Houlihan Lokey becomes required by legal process or requested by regulatory authority to disclose any Confidential Information, prompt notice thereof (to the extent legally permissible) shall be given to the Company (provided that no notification shall be required in respect of any disclosure to regulatory authorities having jurisdiction over Houlihan Lokey), and Houlihan Lokey may disclose only that information which its counsel advises it is compelled to disclose. The obligations set forth in this paragraph shall remain in effect for a period of one year after the Effective Date.

15. **Additional Provisions Regarding Financing Transaction.** The Company authorizes Houlihan Lokey to provide an information memorandum (or similar document) (as such document may be amended or supplemented and including any information incorporated therein by reference, the "Information

Memorandum") and other pertinent information to prospective investors and other purchasers which are approved by the Company and subject to execution by each such prospective investor or other purchaser of a confidentiality agreement and agrees not to transmit the Information Memorandum to prospective investors or other purchasers without Houlihan Lokey's prior approval. The Company will be solely responsible for the contents of the Information Memorandum and any and all other written or oral communications provided by or on behalf of the Company to any actual or prospective investor or other purchaser. The Company represents and warrants that the Information Memorandum and such other communications will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. If an event occurs as a result of which the Information Memorandum (as then supplemented or amended) would include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, the Company will promptly notify Houlihan Lokey of such event and Houlihan Lokey will suspend solicitations of prospective investors and other purchasers until such time as the Company prepares (and the Company agrees that, if the solicitation of prospective investors and other purchasers has been so suspended after the Company has accepted orders from prospective investors or other purchasers, the Company will promptly prepare) a supplement or amendment to the Information Memorandum which corrects such statement(s) or omission(s). The Company will (i) make available to each bona fide offeree of the Securities such information (in addition to that contained in the Information Memorandum) concerning the offering of the Securities, the Company and any other relevant matters, and (ii) provide each bona fide offeree the opportunity to ask questions of, and receive answers from, the officers and employees of the Company concerning the terms and conditions of the offering of the Securities.

The Company acknowledges that closing of a Financing Transaction is subject, among other factors, to acceptable documentation, market conditions, and satisfaction of the conditions set forth in one or more agreements to be entered into with any financier, lender, investor or other purchaser of Securities. It is expressly understood that this engagement does not constitute any commitment, express or implied, on the part of Houlihan Lokey to acquire, and does not ensure the successful placement of, any portion of the Securities. The Company further acknowledges and agrees that Houlihan Lokey is not acting as an underwriter of the Securities and shall have no responsibility or obligation to underwrite the Securities.

In connection with all offers and sales of the Securities, the Company will cause to be addressed and delivered to Houlihan Lokey a written opinion of Company counsel acceptable to Houlihan Lokey containing (i) an opinion to the effect that the placement of Securities was exempt from registration under the Securities Act of 1933, as amended (the "Act"), and (ii) any other opinions of counsel that have been provided to investors or other purchasers of the Securities or which Houlihan Lokey may reasonably request. The Company also will cause to be furnished to Houlihan Lokey at or after each closing of a sale of Securities copies (addressed to Houlihan Lokey, if requested and as appropriate) of such agreements, opinions, certificates and other documents (including, without limitation, accountant's letters) as Houlihan Lokey may reasonably request. The Company hereby acknowledges and agrees that Houlihan Lokey shall be entitled to rely upon the representations and warranties made (whether pursuant to a subscription agreement or in any other format) to investors or other purchasers of Securities and the Company shall be deemed to have made such representations and warranties to and for the benefit of Houlihan Lokey.

It is understood that the offer and sale of the Securities in a Financing Transaction will be exempt from the registration requirements of the Act, pursuant to Section 4(a)(2) thereof. The Company has not taken, and will not take, any action, directly or indirectly, so as to cause the transactions contemplated by this Agreement to fail to be entitled to exemption under Section 4(a)(2) of the Act. The Company will promptly from time to time take such reasonable action as necessary to qualify the Securities as a private placement under the securities laws of such States and foreign jurisdictions as any prospective investor or

other purchaser may reasonably request and will comply with applicable laws. The Company shall cause the issuer of the Securities to offer and sell the Securities only to investors and other purchasers of the Securities that they reasonably believe to be "accredited investors", as defined in Rule 501 of Regulation D under the Act. The Company will cause the issuer of the Securities to file in a timely manner with the Securities and Exchange Commission (the "SEC") and/or each other regulatory authority any notices or other filings with respect to the Securities required by Rule 503 of Regulation D under the Act and/or other applicable law or regulation and will upon request furnish to Houlihan Lokey a signed copy of each such notice or filing promptly after its submission.

16. **Limitations on Services as Advisor.** Houlihan Lokey's services are limited to those specifically provided in this Agreement, or subsequently agreed upon in writing by the parties hereto. Houlihan Lokey shall have no obligation or responsibility for any other services including, without limitation, any crisis management or business consulting services related to, among other things, the implementation of any operational, organizational, administrative, cash management, or similar activities. The parties understand that Houlihan Lokey is being engaged hereunder as an independent contractor to provide the services hereunder solely to the Company, and that Houlihan Lokey is not acting as an agent or fiduciary of the Company, its security holders or creditors or any other person or entity in connection with this engagement, and the Company agrees that it shall not make, and hereby waives, any claim based on an assertion of such an agency or fiduciary relationship. In performing its services pursuant to this Agreement, Houlihan Lokey is not assuming any responsibility for the Company's decision on whether to pursue, endorse or support any business strategy, or to effect, or not to effect, any Transaction(s), which decision shall be made by the Company in its sole discretion. Any duties of Houlihan Lokey arising by reason of this Agreement or as a result of the services to be rendered by Houlihan Lokey hereunder will be owed solely to the Company.

17. **Bankruptcy Court Approval.** In the event that the Company is or becomes a debtor under Chapter 11 of the Bankruptcy Code, whether voluntarily or involuntarily, the Company shall seek an order authorizing the employment of Houlihan Lokey pursuant to the terms of this Agreement, as a professional person pursuant to, and subject to the standard of review of, Section 328(a) of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and applicable local rules and orders and not subject to any other standard of review under Section 330 of the Bankruptcy Code. In so agreeing to seek Houlihan Lokey's retention under Section 328(a) of the Bankruptcy Code, the Company acknowledges that it believes that Houlihan Lokey's general restructuring experience and expertise, its knowledge of the capital markets and its merger and acquisition capabilities will inure to the benefit of the Company in pursuing any Transaction, that the value to the Company of Houlihan Lokey's services derives in substantial part from that expertise and experience and that, accordingly, the structure and amount of the contingent Transaction Fee(s) is reasonable regardless of the number of hours to be expended by Houlihan Lokey's professionals in the performance of the services to be provided hereunder. The Company shall submit Houlihan Lokey's employment application as soon as practicable following the Company's filing of a voluntary Chapter 11 case, or the entry of an order for relief in any involuntary case filed against the Company, and use its best efforts to cause such application to be considered on the most expedited basis. The employment application and the proposed order authorizing employment of Houlihan Lokey shall be provided to Houlihan Lokey as much in advance of any Chapter 11 filing as is practicable, and must be acceptable to Houlihan Lokey in its sole discretion. Following entry of the order authorizing the employment of Houlihan Lokey, the Company shall pay all fees and expenses due pursuant to this Agreement, as approved by the court having jurisdiction of the bankruptcy case involving the Company (the "Bankruptcy Court"), as promptly as possible in accordance with the terms of this Agreement and the order of such Bankruptcy Court, the Bankruptcy Code, the Bankruptcy Rules and applicable local rules and orders, and will work with Houlihan Lokey to promptly file any and all necessary applications regarding such fees and expenses with the Bankruptcy Court. Houlihan Lokey shall have no obligation to provide services under this Agreement in the event that the Company becomes a debtor under the Bankruptcy Code unless Houlihan Lokey's retention under this Agreement is approved under Section 328(a) of the

Bankruptcy Code by final order of the Bankruptcy Court no longer subject to appeal, rehearing, reconsideration or petition for certiorari, and which is acceptable to Houlihan Lokey in all respects. If the order authorizing the employment of Houlihan Lokey is not obtained, or is later reversed or set aside for any reason, Houlihan Lokey may terminate this Agreement, and the Company shall reimburse Houlihan Lokey for all fees and expenses reasonably incurred prior to the date of expiration or termination, subject to the requirements of the Bankruptcy Code, Bankruptcy Rules and applicable local rules and orders. Prior to commencing a Chapter 11 case, the Company shall pay all amounts due and payable to Houlihan Lokey in cash. The terms of this Section are solely for the benefit of Houlihan Lokey, and may be waived, in whole or in part, only by Houlihan Lokey.

18. **Additional Services.** To the extent Houlihan Lokey is requested by the Company to perform any financial advisory or investment banking services which are not within the scope of this engagement (such as rendering a fairness opinion), the Company shall pay Houlihan Lokey such fees as shall be mutually agreed upon by the parties hereto in writing, in advance, depending on the level and type of services required, and shall be in addition to the fees and expenses described hereinabove.

19. **Required Services.** If Houlihan Lokey is required to render services not described herein, but which relate directly or indirectly to the subject matter of this Agreement (including, but not limited to, producing documents, answering interrogatories, attending depositions, giving expert or other testimony, whether by subpoena, court process or order, or otherwise), the Company shall pay Houlihan Lokey additional fees to be mutually agreed upon for such services, plus reasonable and documented related out-of-pocket costs and expenses, including, among other things, the reasonable and documented legal fees and expenses of Houlihan Lokey's counsel in connection therewith.

20. **Credit.** After the announcement or closing of any Transaction, Houlihan Lokey may, at its own expense, place announcements on its corporate website and in financial and other newspapers and periodicals (such as a customary "tombstone" advertisement, including the Company's logo or other identifying marks) describing its services in connection therewith. Furthermore, if requested by Houlihan Lokey, the Company agrees that in any press release announcing any Transaction, the Company will include in such press release a mutually acceptable reference to Houlihan Lokey's role as financial advisor to the Company with respect to such Transaction.

21. **Choice of Law; Jury Trial Waiver; Jurisdiction. THIS AGREEMENT SHALL BE DEEMED TO BE MADE IN NEW YORK. THIS AGREEMENT AND ALL DISPUTES ARISING OUT OF OR RELATED TO THIS AGREEMENT (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS. EACH OF HOULIHAN LOKEY AND THE COMPANY (ON ITS OWN BEHALF AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ON BEHALF OF ITS EQUITY HOLDERS) IRREVOCABLY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) RELATED TO OR ARISING OUT OF THE ENGAGEMENT OF HOULIHAN LOKEY PURSUANT TO, OR THE PERFORMANCE BY HOULIHAN LOKEY OF THE SERVICES CONTEMPLATED BY, THIS AGREEMENT. REGARDLESS OF ANY PRESENT OR FUTURE DOMICILE OR PRINCIPAL PLACE OF BUSINESS OF THE PARTIES HERETO, EACH PARTY HEREBY IRREVOCABLY CONSENTS AND AGREES THAT ANY CLAIMS OR DISPUTES BETWEEN OR AMONG THE PARTIES HERETO ARISING OUT OF OR RELATED TO THIS AGREEMENT (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) SHALL BE BROUGHT AND MAINTAINED IN ANY FEDERAL OR STATE COURT OF COMPETENT JURISDICTION SITTING IN THE COUNTY OF NEW YORK IN THE STATE OF NEW YORK OR IN THE UNITED STATES DISTRICT COURT FOR THE**

SOUTHERN DISTRICT OF NEW YORK, WHICH COURTS SHALL HAVE EXCLUSIVE JURISDICTION OVER THE ADJUDICATION OF SUCH MATTERS, AND AGREES TO VENUE IN SUCH COURTS; PROVIDED THAT SUCH CONSENT AND AGREEMENT SHALL NOT BE DEEMED TO REQUIRE ANY BANKRUPTCY CASE INVOLVING THE COMPANY TO BE FILED IN SUCH COURTS, AND IF THE COMPANY BECOMES A DEBTOR UNDER CHAPTER 11 OF THE BANKRUPTCY CODE, DURING ANY SUCH CASE, ANY CLAIMS MAY ALSO BE HEARD AND DETERMINED BEFORE THE BANKRUPTCY COURT. EACH PARTY FURTHER IRREVOCABLY SUBMITS AND CONSENTS IN ADVANCE EXCLUSIVELY TO SUCH JURISDICTION AND VENUE IN ANY ACTION OR SUIT COMMENCED IN ANY SUCH COURTS, AND HEREBY WAIVES IN ALL RESPECTS ANY CLAIM OR OBJECTION WHICH IT MAY HAVE BASED UPON LACK OF PERSONAL JURISDICTION, IMPROPER VENUE OR FORUM NON CONVENIENS. THE COMPANY AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION, SUIT OR CLAIM BROUGHT IN ANY OF THE COURTS REFERRED TO ABOVE SHALL BE CONCLUSIVE AND BINDING UPON IT AND MAY BE ENFORCED IN ANY OTHER COURTS HAVING JURISDICTION OVER IT BY SUIT UPON SUCH JUDGMENT. THE COMPANY IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN ALL SUCH DISPUTES BY THE MAILING OF COPIES OF SUCH PROCESS TO THE COMPANY AT 6501 CONGRESS AVENUE, SUITE 300, BOCA RATON, FL 33487.

22. **Indemnification and Standard of Care.** As a material part of the consideration for the agreement of Houlihan Lokey to furnish its services under this Agreement, the Company agrees (i) to indemnify and hold harmless Houlihan Lokey and its affiliates, and their respective past, present and future directors, officers, partners, members, employees, agents, representatives, advisors, subcontractors and controlling persons (collectively, the "Indemnified Parties"), to the fullest extent lawful, from and against any and all losses, claims, damages or liabilities (or actions in respect thereof), joint or several, arising out of or related to Houlihan Lokey's engagement under, or any matter referred to in, this Agreement, and (ii) to reimburse each Indemnified Party for all expenses (including, without limitation, the reasonable and documented fees and expenses of counsel) as they are incurred in connection with investigating, preparing, pursuing, defending, settling, compromising or otherwise becoming involved in any action, suit, dispute, inquiry, investigation or proceeding, pending or threatened, brought by or against any person or entity (including, without limitation, any shareholder or derivative action or any claim to enforce this Agreement), arising out of or related to such engagement or matter. However, the Company shall not be liable under the foregoing indemnification provision for any loss, claim, damage or liability which is finally judicially determined by a court of competent jurisdiction to have resulted primarily from actual fraud, bad faith, the willful misconduct or gross negligence of such Indemnified Party.

If for any reason the foregoing indemnification or reimbursement is unavailable to any Indemnified Party or insufficient fully to indemnify any Indemnified Party or to hold it harmless, then the Company shall contribute to the amount paid or payable by such Indemnified Party as a result of the losses, claims, damages, liabilities or expenses referred to in subsections (i) or (ii) of such indemnification or reimbursement provisions in such proportion as is appropriate to reflect the relative benefits received by the Company, on the one hand, and Houlihan Lokey, on the other hand, in connection with the matters contemplated by this Agreement. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law, then the Company shall contribute to such amount paid or payable by such Indemnified Party in such proportion as is appropriate to reflect not only such relative benefits, but also the relative fault of the Company (and its affiliates, and their respective directors, employees, agents and other advisors), on the one hand, and such Indemnified Party, on the other hand, in connection therewith, as well as any other relevant equitable considerations. Notwithstanding the foregoing, in no event shall the Indemnified Parties be required to contribute an aggregate amount in excess of the amount of fees actually received by Houlihan Lokey from the Company pursuant to this Agreement. Relative benefits received by the Company, on the one hand, and Houlihan Lokey, on the other hand, shall

be deemed to be in the same proportion as (i) the total value paid or received or contemplated to be paid or received by the Company, and its security holders, creditors, and other affiliates, as the case may be, pursuant to the transaction(s) (whether or not consummated) contemplated by the engagement hereunder, bears to (ii) the fees received by Houlihan Lokey under this Agreement. The Company shall not settle, compromise or consent to the entry of any judgment in or otherwise seek to terminate any pending or threatened action, suit, dispute, inquiry, investigation or proceeding arising out of or related to Houlihan Lokey's engagement under, or any matter referred to in, this Agreement (whether or not an Indemnified Party is an actual or potential party thereto), or participate in or otherwise facilitate any such settlement, compromise, consent or termination by or on behalf of any person or entity, unless such settlement, compromise, consent or termination contains a release of the Indemnified Parties reasonably satisfactory in form and substance to Houlihan Lokey.

The Company further agrees that neither Houlihan Lokey nor any other Indemnified Party shall have any liability (whether direct or indirect and regardless of the legal theory advanced) to the Company or any person or entity asserting claims on behalf of or in right of the Company arising out of or related to Houlihan Lokey's engagement under, or any matter referred to in, this Agreement, except for losses, claims, damages or liabilities incurred by the Company which are finally judicially determined by a court of competent jurisdiction to have resulted primarily from the willful misconduct or gross negligence of such Indemnified Party.

The Company shall cause any new company or entity that may be formed by the Company, for any purpose, to agree to all of the obligations in this Section to Houlihan Lokey in accordance with the foregoing provisions. Prior to entering into any agreement or arrangement with respect to, or effecting, any (i) merger, statutory exchange or other business combination or proposed sale, exchange, dividend or other distribution or liquidation of all or a significant portion of its assets, or (ii) significant recapitalization or reclassification of its outstanding securities that does not directly or indirectly provide for the assumption of the obligations of the Company set forth in this Agreement, the Company will notify Houlihan Lokey in writing thereof (if not previously so notified) and, if requested by Houlihan Lokey, shall arrange in connection therewith alternative means of providing for the obligations of the Company set forth in this Agreement, including the assumption of such obligations by another party, insurance, surety bonds, the creation of an escrow, or other credit support arrangements, in each case in an amount and upon terms and conditions satisfactory to Houlihan Lokey.

The indemnity, reimbursement, and other obligations and agreements of the Company set forth herein (i) shall apply to any services provided by Houlihan Lokey in connection with this engagement prior to the Effective Date and to any modifications of this Agreement, (ii) shall be in addition to any obligation or liability which the Company may otherwise have to any Indemnified Party, and (iii) shall survive the completion of the services described in, and any expiration or termination of the relationship established by, this Agreement. The Company agrees that Houlihan Lokey would be irreparably injured by any breach of any such obligations or agreements, that money damages alone would not be an adequate remedy for any such breach and that, in the event of any such breach, Houlihan Lokey shall be entitled, in addition to any other remedies, to injunctive relief and specific performance.

23. **Miscellaneous.** This Agreement shall be binding upon the parties hereto and their respective successors, heirs and assigns and any successor, heir or assign of any substantial portion of such parties' respective businesses and/or assets, including any Chapter 11 or Chapter 7 trustee appointed on behalf of the Company.

Nothing in this Agreement, express or implied, is intended to confer or does confer on any person or entity, other than the parties hereto, the Indemnified Parties and each of their respective successors, heirs

and assigns, any rights or remedies (directly or indirectly as a third party beneficiary or otherwise) under or by reason of this Agreement or as a result of the services to be rendered by Houlihan Lokey hereunder.

This Agreement is the complete and exclusive statement of the entire understanding of the parties regarding the subject matter hereof, and supersedes all previous agreements or understandings regarding the same, whether written or oral. This Agreement may not be amended, and no portion hereof may be waived, except in a writing duly executed by the parties hereto.

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect pursuant to the terms hereof.

To help the United States government fight the funding of terrorism and money laundering activities, the federal law of the United States requires all financial institutions to obtain, verify and record information that identifies each person with whom they do business as a condition to doing business with that person. Accordingly, the Company will provide Houlihan Lokey upon request (i) certain information regarding the identities of all individuals who, directly or indirectly, own 25% or more of the Company's equity interests as well as the Company's executive officers, and (ii) certain identifying information necessary to verify the Company's identity, such as a government-issued identification number (e.g., a U.S. taxpayer identification number), certified articles of incorporation, a government-issued business license, partnership agreement, or trust instrument. By executing this Agreement, the Company confirms that all such information provided to Houlihan Lokey is accurate and complete.

This Agreement may be executed in any number of counterparts, each of which will be deemed an original and all of which will constitute one and the same instrument. Such counterparts may be delivered by one party to the other by facsimile or other electronic transmission, and such counterparts shall be valid for all purposes.

The Company has all requisite power and authority to enter into this Agreement. This Agreement has been duly and validly authorized by all necessary action on the part of the Company and has been duly executed and delivered by the Company and constitutes a legal, valid and binding agreement of the Company, enforceable in accordance with its terms. This Agreement has been reviewed by the signatories hereto and their counsel. There shall be no construction of any provision against Houlihan Lokey because this Agreement was drafted by Houlihan Lokey, and the parties waive any statute or rule of law to such effect.

The Company agrees that it will be solely responsible for ensuring that any Transaction complies with applicable law. The Company understands that Houlihan Lokey is not undertaking to provide any legal, regulatory, accounting, insurance, tax or other similar professional advice and the Company confirms that it is relying on its own counsel, accountants and similar advisors for such advice.

To the extent that the Company hereunder is comprised of more than one entity or company, the obligations of the Company under this Agreement are joint and several, and any consent, direction, approval, demand, notice or the like given by any one of such entities or companies shall be deemed given by all of them and, as such, shall be binding on the Company.

The Company understands and acknowledges that Houlihan Lokey and its affiliates (collectively, the "Houlihan Lokey Group") engage in providing investment banking, securities trading, financing, financial advisory, and consulting services and other commercial and investment banking products and services to a wide range of institutions and individuals. In the ordinary course of business, the Houlihan Lokey Group and certain of its employees, as well as investment funds in which they may have financial

interests or with which they may co-invest, may acquire, hold or sell, long or short positions, or trade or otherwise effect transactions, in debt, equity, and other securities and financial instruments (including bank loans and other obligations) of, or investments in, the Company or any other party that may be involved in the matters contemplated by this Agreement or have other relationships with such parties. With respect to any such securities, financial instruments and/or investments, all rights in respect of such securities, financial instruments and investments, including any voting rights, will be exercised by the holder of the rights, in its sole discretion. In addition, the Houlihan Lokey Group may in the past have had, and may currently or in the future have, financial advisory or other investment banking or consulting relationships with parties involved in the matters contemplated by this Agreement, including parties that may have interests with respect to the Company, a Transaction or other parties involved in a Transaction, from which conflicting interests or duties may arise. Although the Houlihan Lokey Group in the course of such other activities and relationships or otherwise may have acquired, or may in the future acquire, information about the Company, a Transaction or such other parties, or that otherwise may be of interest to the Company, the Houlihan Lokey Group shall have no obligation to, and may not be contractually permitted to, disclose such information, or the fact that the Houlihan Lokey Group is in possession of such information, to the Company or to use such information on the Company's behalf.

In order to enable Houlihan Lokey to bring relevant resources to bear on its engagement hereunder from among its global affiliates, the Company agrees that Houlihan Lokey may share information obtained from the Company and other parties hereunder with other members of the Houlihan Lokey Group, and may perform the services contemplated hereby in conjunction with such other members.

If the foregoing correctly sets forth our agreement, please sign and return to us a copy of this Agreement along with a check (or wire transfer confirmation) for $100,000 on account of the first Monthly Fee.

All of us at Houlihan Lokey thank you for choosing us to advise the Company, and look forward to working with you on this engagement.

Very truly yours,

HOULIHAN LOKEY CAPITAL, INC.

By: _____
Saul Burian
Managing Director

Accepted and agreed to as of the Effective Date:

Dream II Holdings, LLC
Hollander Sleep Products, LLC
Hollander Home Fashions Holdings, LLC
Hollander Sleep Products Kentucky, LLC
Pacific Coast Feather, LLC
Pacific Cost Feather Cushion, LLC
Hollander Sleep Products Canada Limited
on their own behalf, and on behalf of their direct and indirect subsidiaries

By: _____

THIS IS EXHIBIT "G" REFERRED TO IN THE AFFIDAVIT OF EVAN BARZ SWORN ON AUGUST 2, 2019.

Commissioner for Taking Affidavits

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
HOLLANDER SLEEP PRODUCTS, LLC, *et al.*,[1]	)	Case No. 19-11608 (MEW)
Debtors.	)	(Jointly Administered)

ORDER AUTHORIZING ADDITIONAL SERVICES OF HOULIHAN LOKEY CAPITAL INC. PURSUANT TO ORDER (A) AUTHORIZING THE EMPLOYMENT AND RETENTION OF HOULIHAN LOKEY CAPITAL, INC. AS FINANCIAL ADVISOR AND INVESTMENT BANKER TO THE DEBTORS *NUNC PRO TUNC* TO THE PETITION DATE, (B) APPROVING THE TERMS OF THE ENGAGEMENT AGREEMENT, (C) WAIVING CERTAIN TIME-KEEPING REQUIREMENTS, AND (D) GRANTING RELATED RELIEF

Upon the *Notice of Presentment of Order Authorizing Additional Services of Houlihan Lokey Capital, Inc. Pursuant to Order (A) Authorizing the Employment and Retention of Houlihan Lokey Capital, Inc. as Financial Advisor and Investment Banker to the Debtors* Nunc Pro Tunc *to the Petition Date, (B) Approving the Terms of the Engagement Agreement, (C) Waiving Certain Time-Keeping Requirements, and (D) Granting Related Relief* (the "Notice"),[2] filed on July 9, 2019, all as more fully set forth in the Notice; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and the Amended Standing Order; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found that it may enter a final order consistent with Article III of the United States Constitution; and this Court

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors' service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

[2] Capitalized terms used but not defined herein shall have the meanings given to them in the Notice.

having found that venue of this proceeding and the Notice in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Notice is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' Notice and opportunity for a hearing on the Notice were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Notice; and this Court having determined that the legal and factual bases set forth in the Notice establish just cause for the relief granted herein; and no objections to the Notice having been filed by the Objection Deadline; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Addendum to the Engagement Agreement is approved to the extent set forth herein.

2. Houlihan Lokey Capital, Inc. ("Houlihan") is authorized to provide the Services in the Addendum to the Debtors, and the Debtors are authorized to compensate and reimburse Houlihan for the Services rendered pursuant to the Addendum.

3. Houlihan's Services pursuant to the Addendum are subject in all respect to the terms and conditions of the Engagement Agreement and the order concerning the retention of Houlihan Lokey entered by this Court at docket number 205.

4. This Court shall retain jurisdiction with respect to any and all matters arising from or relating to the implementation or interpretation of this Order.

Dated: August 1, 2019
New York, New York

s/Michael E. Wiles
THE HONORABLE MICHAEL E. WILES
UNITED STATES BANKRUPTCY JUDGE

THIS IS EXHIBIT "H" REFERRED TO IN THE AFFIDAVIT OF EVAN BARZ SWORN ON AUGUST 2, 2019.

Commissioner for Taking Affidavits

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
HOLLANDER SLEEP PRODUCTS, LLC, *et al.*,[1]	)	Case No. 19-11608 (MEW)
Debtors.	)	(Jointly Administered)

FINAL ORDER WITH RESPECT TO DIP TERM LOAN SECURED PARTIES AND PREPETITION TERM LOAN SECURED PARTIES (A) AUTHORIZING THE DEBTORS TO OBTAIN POSTPETITION FINANCING, (B) AUTHORIZING THE DEBTORS TO USE CASH COLLATERAL, (C) GRANTING LIENS AND PROVIDING SUPERPRIORITY ADMINISTRATIVE EXPENSE STATUS, (D) GRANTING ADEQUATE PROTECTION TO THE PREPETITION TERM LOAN SECURED PARTIES, (E) MODIFYING THE AUTOMATIC STAY, AND (F) GRANTING RELATED RELIEF

Upon the motion, dated May 19, 2019 (the "DIP Motion") of Hollander Sleep Products, LLC (the "DIP Term Loan Borrower") and Hollander Home Fashions Holdings, LLC, Hollander Sleep Products Kentucky, LLC, Hollander Sleep Products Canada Limited, Pacific Coast Feather, LLC and Pacific Coast Feather Cushion, LLC (collectively the "DIP ABL Borrowers" and together with the DIP Term Loan Borrower, the "Borrowers") on behalf of themselves and their affiliated debtors and debtors in possession (together with Dream II Holdings, LLC ("Parent"), collectively, the "Debtors") in the above-captioned chapter 11 cases (collectively, the "Cases"), seeking entry of an order (this "Final Order") pursuant to sections 105, 361, 362, 363, 364(c)(l), 364(c)(2), 364(c)(3), 364(d), 364(e), 507 and 552 of chapter 11 of title 11 of the United States Code (the

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors' service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

"Bankruptcy Code"), Rules 2002, 4001, 6004, and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), Local Rule 4001-2, *inter alia*:

(i) authorizing on a final basis the Debtors (other than Debtor Hollander Sleep Products Canada Limited) to obtain senior secured postpetition financing on a superpriority basis in the aggregate principal amount of up to $28,000,000.00 (the "DIP Term Loan Credit Facility," and the loans thereunder, the "DIP Term Loans") pursuant to the terms and conditions of that certain superpriority secured Debtor-in-Possession Term Loan Credit Agreement (as the same may be amended, restated, supplemented, or otherwise modified from time to time, the "DIP Term Loan Credit Agreement"), by and among the DIP Term Loan Borrower, the guarantors party thereto from time to time (the "DIP Term Loan Guarantors") (the DIP Term Loan Guarantors, together with the DIP Term Loan Borrower, the "DIP Term Loan Parties" or "DIP Parties"), the financial institutions party thereto from time to time as lenders (collectively, the "DIP Term Loan Lenders," and together with the DIP Term Loan Agent (defined below), the "DIP Term Loan Secured Parties" or "DIP Lenders"), and Barings Finance LLC, as administrative agent (in such capacity, the "DIP Term Loan Agent") for and on behalf of itself and the DIP Term Loan Lenders, substantially in the form of Exhibit C attached to the DIP Motion;

(ii) authorizing on a final basis the Debtors party thereto to execute and deliver the DIP Term Loan Credit Agreement and any other agreements and documents related thereto (collectively with the DIP Term Loan Credit Agreement, the "DIP Term Loan Documents" or "DIP Documents") and to perform such other acts as may be necessary or desirable in connection with the DIP Term Loan Documents;

(iii) granting on a final basis the DIP Term Loan Credit Facility and all obligations owing thereunder and under the DIP Term Loan Documents to the DIP Term Loan Agent and DIP

Term Loan Lenders (collectively, and including all "Obligations" as described in the DIP Term Loan Credit Agreement, the "DIP Term Loan Obligations" or "DIP Obligations") allowed superpriority administrative expense claim status in each of the Cases and any Successor Cases, in each case subject to the Carve Out (as defined herein);

(iv) granting on a final basis to the DIP Term Loan Agent, for the benefit of itself and the other DIP Term Loan Secured Parties, automatically perfected security interests in and liens on all of the DIP Term Collateral (as defined below), including, without limitation, all property constituting "Cash Collateral" as defined in section 363(a) of the Bankruptcy Code, which liens shall be subject to the Carve Out and the priorities set forth herein;

(v) authorizing and directing the Debtors on a final basis to pay the principal, interest, fees, expenses and other amounts payable under the DIP Term Loan Documents as such become due, including, without limitation, continuing commitment fees, closing fees, audit fees, appraisal fees, exit fees, liquidator fees, structuring fees, administrative agent's fees, the reasonable fees and disbursements of the DIP Term Loan Agent's and DIP Term Loan Secured Parties' respective attorneys, advisors, accountants and other consultants, all to the extent provided in, and in accordance with, the applicable DIP Term Loan Documents;

(vi) authorizing the Debtors on a final basis to use the Prepetition Collateral, including the Cash Collateral (each as defined below) of the Prepetition Term Loan Secured Parties under the Prepetition Term Loan Documents, and providing adequate protection to the Prepetition Term Loan Secured Parties for any Diminution in Value (as defined below) of their interests in the Prepetition Collateral, including the Cash Collateral, as applicable, and subject to the Carve Out; and

(vii) vacating and 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 the DIP Term Loan Documents, the Interim Order, the Second Interim Order (as defined below), and this Final Order.

The Court having considered the DIP Motion, the exhibits attached thereto, the *Declaration of Saul Burian in Support of the Debtors' Motion for Entry of Interim and Final Orders (A) Authorizing the Debtors to Obtain Postpetition Financing, (B) Authorizing the Debtors to Use Cash Collateral, (C) Granting Liens and Providing Superpriority Administrative Expense Status, (D) Granting Adequate Protection to the Prepetition Lenders, (E) Modifying the Automatic Stay, (F) Scheduling a Final Hearing, and (G) Granting Related Relief* [Docket No. 19], the DIP Term Loan Documents, the *Declaration of Marc Pfefferle, Chief Executive Officer of Hollander Sleep Products, LLC, in Support of Debtors' Chapter 11 Petitions and First Day Motions* [Docket No. 3], and the evidence submitted and argument made at the first interim hearing (the "First Interim Hearing"); and the Court having entered after the First Interim Hearing the *Interim Orders (A) Authorizing the Debtors to Obtain Postpetition Financing, (B) Authorizing the Debtors to Use Cash Collateral, (C) Granting Liens and Providing Superpriority Administrative Expense Status, (D) Granting Adequate Protection to the Prepetition Lenders, (E) Modifying the Automatic Stay, (F) Scheduling a Final Hearing, and (G) Granting Related Relief* [Docket No. 53] (the "First Interim Order");[2] and the Court having conducted an additional hearing on the DIP Motion on July 1, 2019 (as such hearing pertains to the approval of the DIP Term Loan Facility, the "Second Interim Hearing" and, collectively with the First Interim Hearing, the "Interim Hearings"), and

[2] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the First Interim Order.

with respect to the DIP Term Loan Credit Facility, the Court having entered the *Second Interim Order (A) Authorizing the Debtors to Obtain Postpetition Financing, (B) Authorizing the Debtors to Use Cash Collateral, (C) Granting Liens and Providing Superpriority Administrative Expense Status, (D) Granting Adequate Protection to the Prepetition Lenders, (E) Modifying the Automatic Stay, (F) Scheduling a Final Hearing, and (G) Granting Related Relief* [Docket No. 176] (the "Second Interim Order" and, collectively with the First Interim Order, the "Interim Orders")[3]; and notice of the Final Hearing having been given in accordance with Bankruptcy Rules 2002, 4001(b), (c) and (d), and all applicable Local Rules; and the final hearing (the "Final Hearing") with respect to the portion of the DIP Motion pertaining to the DIP Term Loan Credit Facility and the Prepetition Term Loan Credit Facility having been held on July 17, 2019, and concluded; and the Committee having consented to this form of Final Order following extensive good-faith negotiations that resulted in a global settlement, the terms of which will be incorporated into an amended and restated Restructuring Support Agreement, by and between the Debtors, the Prepetition Term Loan Lenders, Sentinel Capital Partners, LLC, on behalf of itself and each of its affiliated investment funds or investment vehicles managed or advised by it, and the Committee (as may be amended, restated, or modified from time to time) and reflected in a revised proposed chapter 11 plan; and all objections, if any, to the relief requested in the DIP Motion pertaining to the DIP Term Loan Credit Facility and the Prepetition Term Loan Credit Facility having been withdrawn, resolved by modifications to the Final Order set forth herein, or overruled by the Court; and it appearing that approval of the relief requested in the DIP Motion pertaining to the DIP Term Loan Credit Facility and the Prepetition Term Loan Credit Facility is reasonable and in the best

[3] With respect to the DIP ABL Facility, the Court entered a final order on July 3, 2019 [Docket No. 175] (the "Final ABL Order").

interests of the Debtors, their estates, and all parties-in-interest, and is essential for the continued operation of the Debtors' businesses and the preservation of the value of the Debtors' assets; and the Court having determined that the legal and factual bases set forth in the DIP Motion establish just cause for the relief granted herein; and it appearing that the Debtors' entry into the DIP Term Loan Credit Agreement is a sound and prudent exercise of the Debtors' business judgment; and after due deliberation and consideration, and good and sufficient cause appearing therefor;

BASED UPON THE RECORD ESTABLISHED AT THE INTERIM HEARINGS AND FINAL HEARING, THE COURT MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:[4]

Deemed Modifications to DIP Term Loan Credit Agreement and DIP Term Loan Documents

1. No restructuring support agreement or plan support agreement has been approved by the Court, and any provision of the DIP Term Loan Credit Agreement or DIP Term Loan Documents that purports to obligate the Debtors to the terms of such an agreement, or that purports to make it a default if the Debtors breach any such agreement, shall not be effective unless such agreements are authorized by further order of this Court.

2. No provision in this Final Order or in the DIP Term Loan Credit Agreement or DIP Term Loan Documents shall prevent the Debtors from seeking to refinance the obligations thereunder or from seeking the Court's approval of such a refinancing (including the issuance of liens that are superior to or equal in standing to the liens that secure the obligations under the DIP

[4] The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent that any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

Term Loan Credit Agreement or DIP Term Loan Documents), and it shall not be a default if the Debtors seek or obtain approval of such a refinancing or of such liens, *provided* that the DIP Term Loan Obligations are repaid in full in accordance with the terms of the DIP Term Loan Documents upon the consummation of and with the proceeds of any such refinancing.

The DIP Term Loan Credit Agreement and DIP Term Loan Documents are deemed to have been amended by the foregoing.

Findings of Fact

A. Petition Date. On May 19, 2019 (the "Petition Date"), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the Southern District of New York (the "Court").

B. Debtors in Possession. The Debtors have continued in the management and operation of their businesses and properties as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in the Cases.

C. Jurisdiction and Venue. This Court has jurisdiction over the Cases, the DIP Motion, and the parties and property affected hereby pursuant to 28 U.S.C. §§ 157 and 1334. Consideration of the DIP Motion constitutes a core proceeding pursuant to 28 U.S.C. § 157(b)(2). This Court may enter a final order consistent with Article III of the United States Constitution. Venue for the Cases and the proceedings on the Motion is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. The bases for the relief sought in the DIP Motion and granted in the Interim Orders and this Final Order are sections 105, 361, 362, 363, 364, 506, and 507 of the Bankruptcy Code, Bankruptcy Rules 2002, 4001, 6004, and 9014, and the Local Rules.

D. Committee Formation. On May 30, 2019, the United States Trustee for the Southern District of New York (the "U.S. Trustee") appointed an official committee of unsecured

creditors in these Cases pursuant to section 1102 of the Bankruptcy Code (the "Creditors' Committee").

E. Notice. Proper, timely, adequate, and sufficient notice of the Motion has been provided in accordance with the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules, and no other or further notice of the Motion with respect to the relief requested at the Final Hearing or the entry of this Final Order shall be required. The relief granted herein is necessary for the continued operation of the Debtors' businesses and the preservation of the value of the Debtors' assets.

F. Debtors' Stipulations. After consultation with their attorneys and financial advisors, and without prejudice to the rights of the Debtors and parties-in-interest as set forth in paragraph 41 herein, the Debtors, on their behalf and on behalf of their estates, admit, stipulate, acknowledge, and agree as follows (paragraphs F(i) through F(xv) below are referred to herein, collectively, as the "Debtors' Stipulations"), which Debtors' Stipulations shall not constitute a finding of this Court in accordance with Local Bankruptcy Rule 4001-2(g)(4); and further, which Debtors' Stipulations shall be deemed not effective solely with respect to any Challenge timely brought or filed prior to the Challenge Period Termination Date, unless and until such Challenge is overruled, settled, or denied by final order of the Court:

(i) *Prepetition Term Loan Facilities*. Pursuant to that certain Term Loan Credit Agreement dated as of June 9, 2017 (as amended, restated, supplemented, or otherwise modified from time to time, the "Prepetition Term Loan Credit Agreement," and collectively with any other agreements and documents executed or delivered in connection therewith, each as may be amended, restated, supplemented, or otherwise modified from time to time, the "Prepetition Term Loan Documents" or "Prepetition Documents") among (a) the borrower thereto (the "Prepetition

Term Loan Borrower" and together with the "Guarantors" as defined in the Prepetition Term Loan Credit Agreement, the "Prepetition Term Loan Parties"), (b) Dream II Holdings, LLC and Hollander Home Fashions Holdings, LLC, as parent guarantors, (c) Barings Finance LLC, as administrative agent (in such capacity, the "Prepetition Term Loan Administrative Agent"), and (d) the lenders party thereto (the "Prepetition Term Loan Lenders," and together with the Prepetition Term Loan Administrative Agent, the "Prepetition Term Loan Secured Parties"), the Prepetition Term Loan Lenders provided first lien term loans to the Prepetition Term Loan Borrower (the "Prepetition Term Loan Credit Facility").

(ii) *Prepetition Term Loan Obligations*. The Prepetition Term Loan Credit Facility provided the Prepetition Term Loan Borrower with commitments to provide term loans in the aggregate principal amount of up to $190,000,000. As of the Petition Date, the aggregate principal amount outstanding under the Prepetition Term Loan Credit Facility was $166,472,407.49 (together with accrued and unpaid interest, any fees, expenses and disbursements (including, without limitation, attorneys' fees and related expenses and disbursements), indemnification obligations, and other charges, amounts and costs of whatever nature owing, whether or not contingent, whenever arising, accrued, accruing, due, owing, or chargeable in respect of the Prepetition Term Loan Borrowers and certain Prepetition Term Loan Guarantors' obligations pursuant to the Prepetition Term Loan Documents, including all "Obligations" as defined in the Prepetition Term Loan Credit Agreement, the "Prepetition Term Loan Obligations").

(iii) *Prepetition Term Loan Liens and Prepetition Term Loan Priority Collateral*. As more fully set forth in the Prepetition Term Loan Documents, prior to the Petition Date, the Prepetition Term Loan Borrowers and the Prepetition Term Loan Guarantors granted to the Prepetition Term Loan Administrative Agent, for the benefit of itself and the Prepetition Term Loan

Secured Parties, a security interest in and continuing lien (the "Prepetition Term Loan Liens") on substantially all of their assets and property, including, without limitation, (a) a first priority security interest in and continuing lien on the Term Loan Priority Collateral (as defined in that certain DIP Intercreditor Agreement referred to and as defined below) and all substitutions, replacements, accessions, products, and proceeds of any of the Term Loan Priority Collateral, in any form, including insurance proceeds and all claims against third parties for loss or damage to, or destruction of, or other voluntary conversion (including claims in respect of condemnation or expropriation) of any kind or nature of any or all of the foregoing (the "Prepetition Term Loan Priority Collateral"), and (b) a second priority security interest in and continuing lien on the ABL Priority Collateral (as defined in that certain DIP Intercreditor Agreement referred to and as defined below) and all substitutions, replacements, accessions, products, and proceeds of any of the ABL Priority Collateral, in any form, including insurance proceeds and all claims against third parties for loss or damage to, or destruction of, or other voluntary conversion (including claims in respect of condemnation or expropriation) of any kind or nature of any or all of the foregoing (collectively, the "Prepetition ABL Priority Collateral," and together with the Prepetition Term Loan Priority Collateral, the "Prepetition Collateral").[5] The Prepetition Term Loan Secured Parties do not have liens on and security interests in the assets of the Canadian Loan Parties (as defined in the DIP Intercreditor Agreement).

(iv) *Priority of Prepetition Term Loan Liens; Prepetition Intercreditor Agreement; DIP Intercreditor Agreement*. The Prepetition ABL Agent and Prepetition Term Loan Administrative Agent entered into that certain Intercreditor Agreement dated as of June 9, 2017

[5] Prepetition Term Loan Obligations are not secured by any ABL Canadian Collateral (as defined in the Intercreditor Agreement).

(as amended, restated, supplemented, or otherwise modified in accordance with its terms prior to the Petition Date, the "Prepetition Intercreditor Agreement") to govern the respective rights, interests, obligations, priority, and positions of the Prepetition ABL Secured Parties and Prepetition Term Loan Secured Parties with respect to the assets and properties of the Debtors and other obligors, including the Prepetition ABL Priority Collateral and Prepetition Term Loan Priority Collateral. Each of the Prepetition ABL Borrowers and Prepetition Term Loan Borrower acknowledged the Prepetition Intercreditor Agreement. The Prepetition Intercreditor Agreement is binding and enforceable against the Prepetition ABL Loan Parties, Prepetition Term Loan Parties, Prepetition ABL Secured Parties, and Prepetition Term Loan Secured Parties in accordance with its terms and the Prepetition ABL Loan Parties, Prepetition Term Loan Parties, Prepetition ABL Secured Parties, and Prepetition Term Loan Secured Parties are not entitled to take any action that would be contrary to the provisions thereof. On May 23, 2019, the DIP ABL Agent and DIP Term Loan Agent entered into the Amended and Restated Intercreditor Agreement, amending and restating the Prepetition Intercreditor Agreement in its entirety (the "DIP Intercreditor Agreement"). The DIP Intercreditor Agreement is binding and enforceable against the Prepetition Term Loan Parties, Prepetition ABL Loan Parties, Prepetition ABL Secured Parties, the Prepetition Term Loan Secured Parties, the DIP ABL Secured Parties, the DIP Term Loan Secured Parties, the DIP Term Loan Parties, and the DIP ABL Loan Parties in accordance with its terms and the Prepetition ABL Secured Parties, Prepetition Term Loan Secured Parties, DIP ABL Secured Parties, DIP Term Loan Secured Parties, Prepetition Term Loan Parties, Prepetition ABL Loan Parties, DIP Term Loan Parties, and DIP ABL Loan Parties are not entitled to take any action that would be contrary to the provisions thereof.

(v) *Validity, Extent, Perfection and Priority of Prepetition Term Loan Liens*. Subject to paragraph 41 of this Final Order, the Debtors further acknowledge and agree that, as of the Petition Date: (a) the Prepetition Term Loan Liens on the Prepetition Collateral were valid, binding, enforceable, non-avoidable and properly perfected and were granted to, or for the benefit of, the Prepetition Term Loan Secured Parties, for fair consideration and reasonably equivalent value; (b) the Prepetition Term Loan Liens were senior in priority over any and all other liens on the Prepetition Collateral (other than ABL Canadian Collateral (as defined in the DIP Intercreditor Agreement)), subject only to (1) the Prepetition ABL Liens on the Prepetition ABL Priority Collateral, (2) the Carve Out, and (3) certain liens otherwise permitted by the Prepetition Term Loan Documents (solely to the extent any such permitted liens were valid, properly perfected, non-avoidable and senior in priority to the Prepetition Term Loan Liens as of the Petition Date, the "Permitted Prior Liens"); (c) the Prepetition Term Loan Obligations constitute legal, valid, binding, and non-avoidable obligations of the Prepetition Term Loan Parties enforceable in accordance with the terms of the applicable Prepetition Term Loan Documents; (d) no offsets, challenges, objections, defenses, claims, or counterclaims of any kind or nature to any of the Prepetition Term Loan Liens or Prepetition Term Loan Obligations exist, and no portion of the Prepetition Term Loan Liens or Prepetition Term Loan Obligations is subject to any challenge or defense including, without limitation, avoidance, disallowance, disgorgement, recharacterization, or subordination (equitable or otherwise) pursuant to the Bankruptcy Code or applicable non-bankruptcy law; (e) the Debtors and their estates have no claims, objections, challenges, causes of action, and/or choses in action, including without limitation, avoidance claims under Chapter 5 of the Bankruptcy Code or applicable state law equivalents or actions for recovery or disgorgement, against any of the Prepetition Term Loan Secured Parties, or any of their respective affiliates,

agents, attorneys, advisors, professionals, officers, directors and employees arising out of, based upon or related to the Prepetition Term Loan Facility; (f) the Debtors have waived, discharged, and released any right to challenge any of the Prepetition Term Loan Obligations, the priority of the Debtors' obligations thereunder, and the validity, extent, and priority of the liens securing the Prepetition Term Loan Obligations; and (g) the Prepetition Term Loan Obligations constitute allowed, secured claims within the meaning of sections 502 and 506 of the Bankruptcy Code to the extent of the value of the Prepetition Collateral upon which the Prepetition Term Loan Secured Parties have Prepetition Term Loan Liens.

(vi) *Default by the Debtors*. The Debtors acknowledge and stipulate that the Prepetition Term Loan Parties are in default of their obligations under the Prepetition Term Loan Documents.

(vii) *Releases*. Subject to Paragraph 41 of this Final Order, the Debtors hereby absolutely and unconditionally release and forever discharge and acquit the Prepetition Term Loan Secured Parties and their respective affiliates and each of their respective former, current or future officers, partners, directors, managers, members, principals, employees, agents, related funds, investors, financing sources, financial advisors, attorneys, accountants, investment bankers, consultants, representatives and other professionals and the respective successors and assigns thereof, in each case solely in their respective capacity as such (collectively, the "Released Parties") from any and all obligations and liabilities to the Debtors (and theirs successors and assigns) and from any and all claims, counterclaims, demands, debts, accounts, contracts, liabilities, actions and causes of action arising prior to the Petition Date (collectively, the "Released Claims") of any kind, nature or description, whether known or unknown, foreseen or unforeseen or liquidated or unliquidated, arising in law or equity or upon contract or tort or under any state or

federal law or otherwise, arising out of or related to (as applicable) the Prepetition Term Loan Documents, the obligations owing and the financial obligations made thereunder, the negotiation thereof and of the transactions reflected thereby and the obligations and financial obligations made thereunder, in each case that the Debtors at any time had, now have or may have, or that their successors or assigns hereafter can or may have against any of the Released Parties for or by reason of any act, omission, matter, cause or thing whatsoever arising at any time on or prior to the date of this Final Order arising out of or related to (as applicable) the Prepetition Term Loan Documents, the obligations owing and the financial obligations made thereunder, the negotiation thereof and of the transactions reflected thereby and the obligations and financial obligations made thereunder, whether such Released Claims are matured, contingent, liquidated, unliquidated, unmatured, known, unknown, or otherwise.

(viii) *Cash Collateral*. All cash, securities, or other properties of the DIP Parties (and the proceeds therefrom) to the extent subject to the valid, perfected, enforceable, and unavoidable liens as of the Petition Date of the Prepetition Term Loan Secured Parties, including, without limitation, all cash, securities, or other property (and the proceeds therefrom) and other amounts on deposit or maintained by the DIP Parties in any account or accounts subject to rights of set-off under the Prepetition Term Loan Documents and applicable law, for the benefit of the Prepetition Term Loan Secured Parties, subject to the terms of the DIP Intercreditor Agreement. All proceeds of the Prepetition Collateral (including cash on deposit in any account or accounts as of the Petition Date, securities, or other property, whether subject to control agreements or otherwise, in each case that constitutes Prepetition Collateral) to the extent subject to the valid, perfected, enforceable, and unavoidable liens as of the Petition Date of the Prepetition ABL Secured Parties and/or Prepetition Term Loan Secured Parties are "Cash Collateral" of the

applicable Prepetition ABL Secured Parties and Prepetition Term Loan Secured Parties within the meaning of section 363(a) of the Bankruptcy Code (the "Cash Collateral" and solely with respect to the Prepetition Term Loan Priority Collateral, the "Term Loan Cash Collateral"), subject to the Carve Out and the terms of the DIP Intercreditor Agreement.

(ix) *DIP Intercreditor Agreement*. Pursuant to section 510 of the Bankruptcy Code, except as expressly provided by the terms of the Interim Orders, this Final Order, the DIP Intercreditor Agreement and any other intercreditor agreement or subordination agreement between and/or among any Prepetition ABL Loan Party, any Prepetition Term Loan Party, any Debtor or affiliate thereof, and any other applicable intercreditor or subordination provisions contained in any of the Prepetition ABL Documents or Prepetition Term Loan Documents (i) shall remain in full force and effect, (ii) shall continue to govern the relative priorities, rights and remedies of the Prepetition ABL Secured Parties and the Prepetition Term Loan Secured Parties (including the relative priorities, rights and remedies of such parties with respect to the replacement liens and administrative expense claims and superpriority administrative expense claims granted, or amounts payable, by the Debtors under the Interim Orders, this Final Order, or any other order entered in respect of the DIP Motion or otherwise and the modification of the automatic stay), and (iii) shall not be deemed to be amended, altered, or modified by the terms of the Interim Orders, this Final Order, any other ordered entered in respect of the DIP Motion, the DIP ABL Documents, or the DIP Term Loan Documents, unless expressly set forth herein. The DIP ABL Credit Facility is an ABL Document as that term is used in the DIP Intercreditor Agreement, and the DIP Term Loan Credit Facility is a Term Loan Document as that term is used in the DIP Intercreditor Agreement.

G. Findings Regarding Postpetition Financing

(i) *Request for Postpetition Financing*. The Debtors seek authority on a final basis to (a) enter into the DIP Term Loan Credit Facility on the terms described herein and in the DIP Term Loan Documents, and (b) use Term Loan Cash Collateral on the terms described herein to administer their Cases and fund their operations.

(ii) *Priming of the Prepetition Liens*. The priming of the Prepetition Term Loan Secured Parties on the Prepetition Term Loan Priority Collateral (and the priming of the Prepetition Term Loan Secured Parties on the Prepetition ABL Priority Collateral) under section 364(d) of the Bankruptcy Code, as contemplated by the DIP Term Loan Credit Facility, as authorized by the Interim Orders;

(iii) and this Final Order, and as further described below, will enable the Debtors to continue borrowing under the DIP Term Loan Credit Facility and to continue to operate their businesses to the benefit of their estates and creditors. The Prepetition Term Loan Secured Parties are entitled to receive adequate protection as set forth in the Interim Orders; and this Final Order pursuant to sections 361, 363, and 364 of the Bankruptcy Code, solely to the extent of any diminution in value ("Diminution in Value") of each of their respective interests in the Prepetition Collateral (including Cash Collateral), subject to the Carve Out.

(iv) *Need for Postpetition Financing and Use of Cash Collateral*. The Debtors continue to have a critical need to obtain the financing pursuant to the DIP Term Loan Credit Facility and to continue to use the Prepetition Term Loan Priority Collateral (including Term Loan Cash Collateral) in order to, among other things, (i) permit the orderly continuation of the operation of their businesses, (ii) maintain business relationships with customers, vendors and suppliers, (iii) make payroll, and (iv) satisfy other working capital and operational needs. The access by the DIP

Parties to sufficient working capital and liquidity through the use of Term Loan Cash Collateral and other Prepetition Term Loan Priority Collateral, incurrence of new indebtedness under the DIP Term Loan Documents and other financial accommodations provided under the DIP Term Loan Documents are necessary and vital to the preservation and maintenance of the going concern value of the DIP Parties and to a successful reorganization of the DIP Parties and DIP Term Loan Obligations. The terms of the proposed financing are fair and reasonable, reflect each DIP Parties' exercise of prudent business judgment, and are supported by reasonably equivalent value and fair consideration. The adequate protection provided in the Interim Orders and this Final Order and other benefits and privileges contained herein are consistent with and authorized by the Bankruptcy Code.

(v) *No Term Loan Credit Available on More Favorable Terms*. The DIP Term Loan Credit Facility is the best source of term loan debtor in possession financing available to the Debtors. Given their current financial condition, financing arrangements, and capital structure, the Debtors have been and continue to be unable to obtain term loan financing from sources other than the DIP Term Loan Secured Parties on terms more favorable than the DIP Term Loan Credit Facility. The Debtors are unable to obtain unsecured credit allowable under Bankruptcy Code section 503(b)(1) as an administrative expense. The Debtors have also been and are unable to obtain: (a) unsecured credit having priority over that of administrative expenses of the kind specified in sections 503(b), 507(a), and 507(b) of the Bankruptcy Code; (b) credit secured solely by a lien on property of the Debtors and their estates that is not otherwise subject to a lien; or (c) credit secured solely by a junior lien on property of the Debtors and their estates that is subject to a lien. Term loan financing on a postpetition basis is not otherwise available without granting the DIP Term Loan Agent, for the benefit of itself and the DIP Term Loan Secured Parties and on

account of the obligations under the DIP Term Loan Credit Facility: (1) perfected security interests in and liens on (each as provided herein) all of the Debtors' existing and after-acquired assets with the priorities set forth in paragraph 6 hereof, (2) superpriority claims and liens, and (3) the other protections set forth in the Interim Orders and this Final Order.

(vi) *Use of proceeds of the DIP Term Loan Credit Facility*. As a condition to entry into the DIP Term Loan Documents, the extension of credit under the DIP Term Loan Credit Facility, and the authorization to use Term Loan Cash Collateral, the DIP Term Loan Agent, the DIP Term Loan Secured Parties, and the Prepetition Term Loan Secured Parties required, and the Debtors agreed, that proceeds of the DIP Term Loan Credit Facility shall be used, in each case in a manner consistent with the terms and conditions of the Interim Orders, this Final Order and the DIP Term Loan Documents and in accordance with the budget attached hereto as Exhibit A, as the same may be modified from time to time consistent with the terms of the DIP ABL Documents and DIP Term Loan Documents, and subject to such variances as permitted in the DIP Term Loan Credit Agreement (such budget, as so modified, the "Approved Budget"), solely for: (a) working capital and letters of credit; (b) other general corporate purposes of the Debtors; (c) permitted payment of costs of administration of the Cases; (d) payment of such prepetition expenses of the Prepetition Term Loan Secured Parties as consented to by the DIP Term Loan Agent and the "Required Lenders" under the DIP Term Loan Credit Agreement (the "Required DIP Term Loan Lenders"); (e) payment of interest, fees, and expenses (including without limitation, legal and other professionals' fees and expenses of the DIP Term Loan Agent) owed under the DIP Term Loan Documents; (f) payment of certain adequate protection amounts to the Prepetition Term Loan Secured Parties as set forth in paragraph 16 hereof; and (g) payment of the Carve Out shall be in accordance with paragraph 38 of this Final Order.

(vii) *Application of Proceeds of Collateral*. As a condition to entry into the DIP Term Loan Credit Agreement, the extension of credit under the DIP Term Loan Credit Facility and authorization to use Term Loan Cash Collateral, the Debtors, the DIP ABL Agent, the DIP Term Loan Agent, the DIP ABL Secured Parties, DIP Term Loan Lenders, the Prepetition ABL Secured Parties, and the Prepetition Term Loan Secured Parties have agreed that, as of and commencing on the date of the First Interim Hearing, the Debtors shall continue to apply the proceeds of DIP Term Loan Priority Collateral in accordance with the Interim Orders, this Final Order and the DIP Intercreditor Agreement.

H. Adequate Protection. Subject to the Carve Out and solely to the extent of any Diminution in Value, the Prepetition Term Loan Administrative Agent, for the benefit of itself and the Prepetition Term Loan Secured Parties is entitled to receive adequate protection in the Prepetition Collateral. Pursuant to sections 361, 363, and 507(b) of the Bankruptcy Code, as adequate protection (but only to the extent of any Diminution in Value): the Prepetition Term Loan Secured Parties will receive (a) adequate protection liens and superpriority claims, as more fully set forth in paragraphs 12-16 herein and (b) current payment of reasonable and documented fees and expenses (including, without limitation, legal and other professionals' fees and expenses of the Prepetition Term Loan Administrative Agent, whether arising before or after the Petition Date).

I. Sections 506(c) and 552(b). In light of (i) the DIP Term Loan Agent's and DIP Term Loan Secured Parties' agreement that their liens and superpriority claims shall be subject to the Carve Out (including the caps and limitations set forth therein), (ii) the Prepetition Term Loan Secured Parties' agreement that, with respect to the Prepetition Term Loan Priority Collateral, their liens shall be subject to the Carve Out (and the caps and limitations set forth therein), subordinate to the DIP Term Loan Liens, and, in the case of the Prepetition ABL Priority Collateral, subordinate

to the DIP ABL Liens and the Prepetition ABL Liens, and (iii) the Prepetition Term Loan Secured Parties' agreement that, with respect to the Prepetition Term Loan Priority Collateral, their liens shall not include the ABL Canadian Collateral and shall be subject to the Carve Out and subordinate to the DIP Term Loan Liens and, in the case of the ABL Priority Collateral, subordinate to the DIP ABL Liens, the Prepetition ABL Liens, the Canadian Intercompany Superpriority Administrative Claims, and the DIP Term Loan Liens, (a) the Prepetition Term Loan Secured Parties are entitled to a waiver of any "equities of the case" exception under section 552(b) of the Bankruptcy Code, and (b) the Debtors are entitled to grant a waiver of the provisions of section 506(c) of the Bankruptcy Code to the DIP Agents, DIP Lenders, DIP Obligations, Prepetition ABL Secured Parties, Prepetition ABL Obligations, and Prepetition Term Loan Secured Parties, subject to the terms of the DIP Intercreditor Agreement. For the avoidance of doubt, any determination hereunder on the relief sought in the DIP Motion concerning the section 506(c) waiver shall be binding on, and adhere to the benefit of, the DIP ABL Secured Parties and Prepetition ABL Secured Parties notwithstanding anything to the contrary in the Final ABL Order.

J. Good Faith of the DIP Term Loan Agents and DIP Term Loan Secured Parties.

(i) *Willingness to Provide Financing*. The DIP Term Loan Secured Parties have indicated a willingness to provide and to continue to provide financing to the Debtors subject to: (a) entry of the Interim Orders and this Final Order; (b) final approval of the terms and conditions of the DIP Term Loan Credit Facility and the DIP Term Loan Documents; (c) satisfaction of the closing conditions set forth in the DIP Term Loan Documents; and (d) findings by this Court that the DIP Term Loan Credit Facility is essential to the Debtors' estates, that the DIP Term Loan Agent and DIP Term Loan Secured Parties are extending credit to the Debtors pursuant to the DIP Term Loan Documents in good faith, and that the DIP Term Loan

Agent's and DIP Term Loan Secured Parties' claims, superpriority claims, security interests and liens, and other protections granted pursuant to the Interim Orders and this Final Order and the DIP Term Loan Documents will have the protections provided by section 364(e) of the Bankruptcy Code.

(ii) *Business Judgment*. Based on the DIP Motion, the declarations filed in support of the DIP Motion, and the record presented to the Court at the Interim Hearings and Final Hearing, (i) the terms of the financing provided by the DIP Term Loan Credit Facility, (ii) the adequate protection provided by the Interim Orders, this Final Order, and DIP Term Loan Documents, and (iii) the terms on which the DIP Parties may continue to use the Prepetition Collateral (including Cash Collateral), in each case pursuant to the Interim Orders, this Final Order, and the DIP Term Loan Documents, are in each case fair and reasonable, reflect the DIP Parties' exercise of prudent business judgment consistent with their fiduciary duties, constitute reasonably equivalent value and fair consideration, and represents the best financing (and terms) presently available.

(iii) *Good Faith Pursuant to Section 364(e).* The terms and conditions of the DIP Term Loan Credit Facility were negotiated in good faith and at arms' length among the Debtors, the Prepetition Term Loan Secured Parties, and the DIP Term Loan Secured Parties, with the assistance and counsel of their respective advisors. The credit to be extended under the DIP Term Loan Credit Facility shall be deemed to have been allowed, advanced, made, or extended in good faith by the DIP Term Loan Secured Parties within the meaning of section 364(e) of the Bankruptcy Code.

K. Immediate Entry. Sufficient cause existed for immediate entry of the Interim Orders pursuant to Bankruptcy Rule 4001(c)(2).

L. Final Hearing. Notice of the Final Hearing and the relief requested in the DIP Motion has been provided by the Debtors, whether by facsimile, electronic mail, overnight courier, or hand delivery, to certain parties-in-interest, including, among others: (i) the U.S. Trustee, (ii) those entities or individuals included on the Debtors' list of 50 largest unsecured creditors on a consolidated basis, (iii) counsel to the Prepetition ABL Agent, (iv) counsel to the Prepetition Term Loan Administrative Agent; (v) counsel to the Put Purchasers; (vi) the Creditors' Committee; and (vii) all other parties entitled to notice under the Local Rules. The Debtors have made reasonable efforts to afford the best notice possible under the circumstances and no other notice is required in connection with the relief set forth in the Interim Orders or this Final Order.

Based upon the foregoing findings and conclusions, the DIP Motion and the record before the Court with respect to the DIP Motion, and after due consideration and good and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. DIP Term Loan Credit Facility Approved. The DIP Motion is granted on a final basis solely to the extent set forth below, the DIP Term Loan Credit Facility was authorized in part on an interim basis pursuant to the Interim Orders as modified therein, and hereby is authorized and approved on a final basis as set forth below (including any modifications in this Final Order as to the Interim Orders), and the use of Cash Collateral was authorized pursuant to the terms of the Interim Orders and the use of the Term Loan Cash Collateral is hereby authorized on a final basis, in each case, subject to the terms and conditions set forth in this Final Order. All objections to the Interim Orders and this Final Order as they relate to the DIP Term Loan Credit Facility and use of Term Loan Cash Collateral, to the extent not withdrawn, waived, settled, or

resolved, and all reservations of rights included therein, are hereby denied and overruled on the merits. This Final Order shall become effective immediately upon its entry.

DIP Term Loan Credit Facility Authorization

2. Authorization of the DIP Term Loan Financing. The DIP Term Loan Credit Facility was approved on an interim basis pursuant to the Interim Orders (as described therein) and is hereby approved on a final basis on the terms set forth in this Final Order. The Debtors were expressly and immediately authorized and empowered pursuant to the Interim Orders to execute and deliver the DIP Term Loan Documents and are hereby expressly and immediately authorized and empowered on a final basis to continue borrowing under the DIP Term Loan Documents, and to incur and to perform the DIP Term Loan Obligations in accordance with, and subject to, the terms of the Interim Orders, this Final Order and the DIP Term Loan Documents, and to deliver all instruments, certificates, agreements, and documents which may be required or necessary for the performance by the Debtors under the DIP Term Loan Credit Facility and the creation and perfection of the DIP Term Loan Liens (as defined below) described in and provided for by the Interim Orders and this Final Order and the DIP Term Loan Documents. The Debtors were authorized and directed pursuant to the Interim Orders and are hereby authorized and directed on a final basis to pay, in accordance with the Interim Orders and this Final Order, the principal, interest, fees, expenses and other amounts described in the DIP Term Loan Documents and all other documents comprising the DIP Term Loan Credit Facility as such become due and without need to obtain further Court approval, including, without limitation, closing fees, unused facility fees, continuing commitment fees, backstop fees, exit fees, servicing fees, audit fees, appraisal fees, liquidator fees, structuring fees, administrative agent's fees, the reasonable fees and disbursements of the DIP Term Loan Agent's attorneys, advisors, accountants, and other

consultants, whether or not such fees arose before or after the Petition Date, and whether or not the transactions contemplated by the Interim Orders or this Final Order are consummated, to implement all applicable reserves and to take any other actions that may be necessary or appropriate, all to the extent provided in the Interim Orders, this Final Order or the DIP Term Loan Documents. All collections and proceeds, whether from ordinary course collections, asset sales, debt or equity issuances, insurance recoveries, condemnations or otherwise, will be deposited and applied as required by this Final Order and the DIP Term Loan Documents. As of the date of execution and delivery, the DIP Term Loan Documents continue to represent valid and binding obligations of the Debtors, enforceable against each of the Debtors and their estates in accordance with their terms.

3. Authorization to Borrow. From the entry of this Final Order through and including the Termination Declaration (as defined below), and subject to the terms, conditions, limitations on availability and reserves set forth in the DIP Term Loan Documents, the Interim Orders and this Final Order, the Debtors were authorized pursuant to the Interim Orders and are hereby authorized to (i) borrow money pursuant to the DIP Term Loan Credit Agreement and the DIP Term Loan Guarantors were authorized pursuant to the Interim Orders and are hereby authorized by this Final Order to guaranty the DIP Term Loan Parties' DIP Term Loan Obligations with respect to such borrowings, in each case up to an aggregate principal amount equal to $28,000,000 on a final basis together with applicable interest, expenses, fees and other charges payable in connection with the DIP Term Loan Credit Facility, subject to any limitations on borrowing under the DIP Term Loan Documents, which shall be used for all purposes permitted under the DIP Term Loan Documents, including, without limitation, to provide working capital for the DIP Parties and to pay interest, fees, costs, charges, and expenses in accordance with the

Interim Orders, this Final Order, and the Approved Budget (subject to the variances permitted by the DIP ABL Credit Agreement and the DIP Term Loan Credit Agreement). In connection with obtaining and using funds to enable the Debtors to pay the expenses set forth in the Approved Budget (subject to the variances permitted by the DIP ABL Credit Agreement and the DIP Term Loan Credit Agreement), the Debtors shall borrow and use (or in the case of amounts already borrowed under the DIP Term Loan Credit Facility, use), on a weekly and cumulative basis, an equal amount from the DIP ABL Credit Facility (subject to Excess Availability (as defined in the DIP ABL Credit Agreement)) and the amounts borrowed under the DIP Term Loan Credit Facility.

4. DIP Term Loan Obligations. The DIP Term Loan Documents, the Interim Orders and this Final Order shall constitute and evidence the validity and binding effect of the Debtors' DIP Term Loan Obligations, which DIP Term Loan Obligations shall be enforceable against the Debtors, their estates and any successors thereto, including without limitation, any trustee appointed in the Cases, or in any case under Chapter 7 of the Bankruptcy Code upon the conversion of any of the Cases, or in any other proceedings superseding or related to any of the foregoing (collectively, the "Successor Cases"). Upon entry of this Final Order, the DIP Term Loan Obligations will include all loans, and any other indebtedness or obligations, contingent or absolute, which may now or from time to time be owing by any of the Debtors to any of the DIP Term Loan Secured Parties, under the DIP Term Loan Documents, the Interim Orders or this Final Order, including, without limitation, all principal, accrued interest, costs, charges, fees, expenses, and other amounts under the DIP Term Loan Documents. The DIP Term Loan Parties shall continue to be jointly and severally liable for the DIP Term Loan Obligations. The DIP Term Loan Obligations, as applicable, shall be due and payable, without notice or demand, and the use of Term Loan Cash Collateral shall automatically cease on each applicable Termination Date, as

applicable, except as provided in paragraph 29 herein. No obligation, payment, transfer, or grant of collateral security hereunder, under the Interim Orders or under the DIP Term Loan Documents (including any DIP Term Loan Obligation or DIP Term Loan Liens, and including in connection with any adequate protection provided to the Prepetition Term Loan Secured Parties) stayed, restrained, voidable, avoidable, or recoverable, under the Bankruptcy Code or under any applicable law (including, without limitation, under sections 502(d), 544, and 547 to 550 of the Bankruptcy Code or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act, or similar statute or common law), or subject to any avoidance, reduction, setoff, recoupment, offset, recharacterization, subordination (whether equitable, contractual, or otherwise), counterclaim, cross-claim, defense, or any other challenge under the Bankruptcy Code or any applicable law or regulation by any person or entity.

5. DIP Term Loan Liens. In order to secure the DIP Term Loan Obligations, effective immediately upon entry of the First Interim Order, pursuant to sections 361, 362, 364(c)(2), 364(c)(3), and 364(d) of the Bankruptcy Code, the DIP Term Loan Agent, for the benefit of itself and the DIP Term Loan Secured Parties, were granted pursuant to the Interim Orders and are hereby granted, continuing, valid, binding, enforceable, non-avoidable, and automatically and properly perfected postpetition security interests in and liens on (collectively, the "DIP Term Loan Liens") all real and personal property, whether now existing or hereafter arising and wherever located, tangible and intangible, of, with respect to the DIP Term Loan Obligations, each of the DIP Term Loan Parties (the "DIP Term Loan Collateral" or "DIP Collateral"),[6] including without limitation: (a) all cash, cash equivalents, deposit accounts, securities accounts, accounts, other

[6] For the avoidance of doubt, the DIP Term Loan Collateral does not include ABL Canadian Collateral (as defined by the DIP Intercreditor Agreement).

receivables (including credit card receivables), chattel paper, contract rights, inventory (wherever located), instruments, documents, securities (whether or not marketable), and investment property (including, without limitation, all of the issued and outstanding capital stock of each of its subsidiaries), furniture, fixtures, equipment, goods, franchise rights, trade names, trademarks, servicemarks, copyrights, patents, intellectual property, general intangibles, rights to the payment of money (including, without limitation, tax refunds and any other extraordinary payments), supporting obligations, guarantees, letter of credit rights, causes of action (excluding commercial tort claims and avoidance actions (but including avoidance actions brought pursuant to section 549 of the Bankruptcy Code to recover any post-petition transfer of DIP Collateral)) and all substitutions, books and records related to the foregoing, accessions and proceeds of the foregoing, wherever located, including insurance or other proceeds, (b) all owned real property interests and all proceeds of leased real property, and (c) proceeds of any avoidance actions brought pursuant to section 549 of the Bankruptcy Code to recover any post-petition transfer of DIP Collateral. DIP Collateral that is of a type that would be ABL Priority Collateral (as defined the DIP Intercreditor Agreement) and the proceeds and products thereof shall in each case, constitute "DIP ABL Priority Collateral," DIP Collateral that is of a type that would be Term Loan Priority Collateral (as defined in the DIP Intercreditor Agreement) and the proceeds and products thereof and shall, in each case, constitute "DIP Term Loan Priority Collateral".

6. DIP Lien Priority. The DIP Term Loan Liens are valid, automatically perfected, non-avoidable, senior in priority, and superior to any security, mortgage, collateral interest, lien or claim to any of the DIP Collateral, except that the DIP Term Loan Liens shall be subject to the Carve Out, and shall otherwise be junior only to: (i) as to the DIP Term Loan Priority Collateral, Permitted Prior Liens; and (ii) as to the DIP ABL Priority Collateral, (A) Permitted

Prior Liens; (B) the DIP ABL Liens; (C) the Prepetition ABL Liens; (D) the Prepetition ABL Adequate Protection Liens; and (E) the Canadian Intercompany Superpriority Administrative Claims. Other than as set forth herein or in the DIP Term Loan Documents, the DIP Term Loan Liens shall not be made subject to or *pari passu* with any lien or security interest heretofore or hereinafter granted in the Cases or any Successor Cases, and shall be valid and enforceable against any trustee appointed in the Cases or any Successor Cases, upon the conversion of any of the Cases to a case under Chapter 7 of the Bankruptcy Code (or in any other Successor Case), and/or upon the dismissal of any of the Cases or Successor Cases. The DIP Term Loan Liens shall not be subject to section 510, 549, or 550 of the Bankruptcy Code. No lien or interest avoided and preserved for the benefit of the estate pursuant to section 551 of the Bankruptcy Code shall be *pari passu* with or senior to the DIP Term Loan Liens. Notwithstanding anything herein to the contrary, none of the Prepetition Term Loan Adequate Protection Liens or DIP Term Loan Liens shall exist with respect to any ABL Canadian Collateral (as defined by the DIP Intercreditor Agreement).

7. Superpriority Claims. The DIP Term Loan Secured Parties were pursuant to the Interim Orders and hereby are granted on a final basis (as of the date of entry of the First Interim Order), pursuant to Section 364(c)(1) of the Bankruptcy Code, allowed superpriority administrative expense claims in each of the Cases and any Successor Cases (collectively, the "DIP Term Loan Superpriority Claims") for all DIP Term Loan Obligations: (a) except as set forth herein, with priority over any and all administrative expense claims and unsecured claims against the Debtors or their estates in any of the Cases and any Successor Cases, at any time existing or arising, of any kind or nature whatsoever, including, without limitation, administrative expenses of the kinds specified in or ordered pursuant to Bankruptcy Code Sections 105, 326, 328, 330, 331, 364, 503(a), 503(b), 506(c) (in regard to surcharge claims against secured creditors other than the

Prepetition Term Loan Secured Parties), 507(a), 507(b), 546(c), 546(d), 726, 1113, and 1114, and any other provision of the Bankruptcy Code, as provided under Section 364(c)(1) of the Bankruptcy Code; and (b) which shall at all times be senior to the rights of the Debtors and their estates, and any successor trustee or other estate representative to the extent permitted by law; provided that the DIP Term Loan Agent and DIP Term Loan Secured Parties shall first use reasonably commercial efforts to seek recourse against the DIP Term Loan Priority Collateral before exercising any remedies against proceeds of avoidance actions. Notwithstanding the foregoing, the DIP Term Loan Superpriority Claims and the "DIP Superpriority Claims" (as defined in the Interim Orders) of the DIP Term Loan Parties shall be *pari passu* with each other, without otherwise impairing the lien priorities as set forth herein, and subject to the terms of the DIP Intercreditor Agreement and Carve Out (including the caps and limitations therein).

8. No Obligation to Extend Credit. Except as required to fund the Carve Out in accordance with the terms of this Final Order, the DIP Term Loan Agent and DIP Term Loan Secured Parties shall have no obligation to make any loan or advance under the DIP Term Loan Documents unless all of the conditions precedent to the making of such extension of credit under the DIP Term Loan Documents and this Final Order have been satisfied in full or waived by the DIP Term Loan Agent (acting at the direction of the Required DIP Term Loan Lenders) in accordance with the terms of the DIP Term Loan Credit Agreement.

9. Use of Proceeds of DIP Term Loan Credit Facility. The Debtors shall continue to use advances of credit under the DIP Term Loan Credit Facility, in accordance with the Approved Budget (subject to such variances as permitted in the DIP Term Loan Credit Agreement), only for the purposes specifically set forth in the Interim Orders, this Final Order and

the DIP Term Loan Documents, and in compliance with the terms and conditions in the Interim Orders, this Final Order and the DIP Term Loan Documents.

10. No Monitoring Obligation. No DIP Term Loan Secured Party shall have any obligation nor responsibility to monitor any DIP Term Loan Party's use of DIP Term Loan Credit Facility, and each DIP Term Loan Secured Party may rely upon each DIP Term Loan Party's representation that the use of the DIP Term Loan Credit Facility at any time is in accordance with the requirements of the Interim Orders, this Final Order, the DIP Term Loan Documents and Bankruptcy Rule 4001(c)(2).

11. Authorization to Use Cash Collateral. Subject to the terms and conditions of this Final Order, the DIP Term Loan Credit Facility and the DIP Term Loan Documents and in accordance with the Approved Budget (subject to variances as permitted in the DIP Term Loan Credit Agreement), the Debtors were authorized pursuant to the Interim Orders and hereby are authorized to use Term Loan Cash Collateral until the Termination Date. Nothing in the Interim Orders or this Final Order shall authorize the disposition of any assets of the Debtors outside the ordinary course of business, or any Debtor's use of any Cash Collateral or other proceeds resulting therefrom, except as permitted in this Final Order (including with respect to the Carve Out), the DIP Term Loan Credit Facility, the DIP Term Loan Documents, and in accordance with the Approved Budget (subject to such variances as permitted in the DIP Term Loan Credit Agreement).

12. Prepetition Term Loan Adequate Protection Liens. Subject to the terms of the DIP Intercreditor Agreement and the Carve Out and solely to the extent of any Diminution in Value: pursuant to Sections 361, 363(e), and 364(d) of the Bankruptcy Code, as adequate protection of the interests of the Prepetition Term Loan Secured Parties in the Prepetition Collateral solely against any Diminution in Value of such interests in the Prepetition Collateral, the

Prepetition Term Loan Parties granted pursuant to the Interim Orders and hereby grant (as of the date of entry of the First Interim Order) to the Prepetition Term Loan Administrative Agent, for the benefit of itself and the Prepetition Term Loan Secured Parties continuing valid, binding, enforceable, and perfected postpetition security interests in and liens on the DIP Term Loan Collateral (the "Prepetition Term Loan Adequate Protection Liens" or "Adequate Protection Liens").

13. Priority of Prepetition Term Loan Adequate Protection Liens. Subject to the terms of the DIP Intercreditor Agreement: the Prepetition Term Loan Adequate Protection Liens shall be subject to the Carve Out (and the caps and limitations set forth therein) and shall otherwise be junior only to: (a) with respect to the DIP ABL Priority Collateral (1) Permitted Prior Liens; (2) the DIP ABL Liens; (3) the Canadian Intercompany Superpriority Administrative Claims; (4) the Prepetition ABL Liens; (5) the Prepetition ABL Adequate Protection Liens; (6) the DIP Term Loan Liens; and (7) the Prepetition Term Loan Liens; and (b) with respect to the DIP Term Loan Priority Collateral (1) Permitted Prior Liens; (2) the DIP Term Loan Liens; and (3) the Prepetition Term Loan Liens. The Prepetition Term Loan Adequate Protection Liens shall be senior to all other security interests in, liens on, or claims against any of the DIP Term Loan Parties' assets. Except as provided herein, the Prepetition Term Loan Adequate Protection Liens shall not be made subject to or *pari passu* with any lien or security interest heretofore or hereinafter in the Cases or any Successor Cases, and shall be valid and enforceable against any trustee appointed in any of the Cases or any Successor Cases, or upon the dismissal of any of the Cases or Successor Cases. The Prepetition Term Loan Adequate Protection Liens shall not be subject to sections 510, 549, or 550 of the Bankruptcy Code. No lien or interest avoided and preserved for the benefit of

the estate pursuant to section 551 of the Bankruptcy Code shall be *pari passu* with or senior to the Prepetition Term Loan Liens or the Prepetition Term Loan Adequate Protection Liens.

14. Prepetition Term Loan Adequate Protection Superpriority Claims. Subject to the terms of the DIP Intercreditor Agreement and the Carve Out and solely to the extent of any Diminution in Value, as further adequate protection of the interests of the Prepetition Term Loan Secured Parties in the Prepetition Collateral (other than the ABL Canadian Collateral) solely against any Diminution in Value of such interests in the Prepetition Collateral (other than the ABL Canadian Collateral), the Prepetition Term Loan Administrative Agent, on behalf of itself and the Prepetition Term Loan Secured Parties, was pursuant to the Interim Orders and is hereby granted as and to the extent provided by section 507(b) of the Bankruptcy Code as allowed superpriority administrative expense claims in each of the Cases and any Successor Cases (other than in the Case of the Canadian Borrower) (the "Prepetition Term Loan Superpriority Claim" or "Adequate Protection Superpriority Claims").

15. Priority of the Prepetition Term Loan Adequate Protection Superpriority Claims. Except as set forth herein, including with respect to the Canadian Intercompany Superpriority Administrative Claims, the Prepetition Term Loan Superpriority Claim shall have priority over all administrative expense claims and unsecured claims against the Debtors or 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) (solely with respect to surcharge claims against secured creditors other than the Prepetition Term Loan Secured Parties), 507(a), 507(b), 546(c), 546(d), 726, 1113, and 1114 of the Bankruptcy Code; *provided*, *however*, that the Prepetition ABL Superpriority Claims and the Prepetition Term Loan Superpriority Claims shall be *pari passu* with

each other (in each of the Cases other than the Recognition Proceedings, which shall be limited to Prepetition ABL Superpriority Claims in favor of the ABL Secured Parties), without otherwise impairing the lien priorities as set forth herein, and subject to the Carve Out and junior to the DIP Term Loan Superpriority Claims.

16. Adequate Protection Payments and Protections for Prepetition Term Loan Secured Parties. As further adequate protection and solely to the extent of any Diminution in Value and subject to the Carve Out (the "Prepetition Term Loan Adequate Protection Payments"), the Debtors are authorized and directed to provide adequate protection to the Prepetition Term Loan Secured Parties in the form of payment in cash in connection with the Cases and the Case of the Canadian Borrower (and as to fees and expenses without the need for the filing of formal fee applications) upon entry of this Final Order, as provided in the DIP Term Loan Credit Agreement.

17. Adequate Protection Reservation. Nothing herein shall impair or modify the application of section 507(b) of the Bankruptcy Code in the event that the adequate protection provided to the Prepetition Term Loan Secured Parties under the Interim Orders or hereunder is insufficient to compensate for any Diminution in Value of their respective interests in the Prepetition Collateral during the Cases or any Successor Cases. The receipt by the Prepetition Term Loan Secured Parties of the adequate protection provided in the Interim Orders or herein shall not be deemed an admission that the respective interests of the Prepetition Term Loan Secured Parties are adequately protected. Further, the Interim Orders and this Final Order shall not prejudice or limit the rights of the Prepetition Term Loan Secured Parties to seek additional relief with respect to the use of Cash Collateral or for additional adequate protection or the rights of any party to oppose such requests for additional relief.

Additional Provisions to DIP Financing and Use of Term Loan Cash Collateral

18. Amendment of the DIP Term Loan Documents. The DIP Term Loan Documents may from time to time be amended, modified, or supplemented by the parties thereto without further order of the Court if: (a) the amendment, modification, or supplement is in accordance with the DIP Term Loan Documents, and (b) a copy (which may be provided through electronic mail or facsimile) of the amendment, modification, or supplement is provided to counsel to DIP ABL Agent, the Creditors' Committee and any other committee appointed under section 1102 or 1104 of the Bankruptcy Code, and the U.S. Trustee (collectively, the "Notice Parties") not less than three (3) business days in advance in writing; and (c) the amendment, modification, or supplement is filed with the Court; *provided*, *however*, that neither consent of the Notice Parties nor approval of the Court will be necessary to effectuate any such amendment, modification or supplement and provided further that such amendment, modification, or supplement shall be without prejudice to the right of any party in interest to be heard; provided, further, that no such amendment, modification, or supplement shall modify the DIP Term Loan Documents in a manner that is materially different from that approved by the Court.

19. Budget Maintenance. The use of borrowings and letters of credit under the DIP Term Loan Credit Facility shall be in accordance with the Approved Budget (subject to such variances as permitted in the DIP Term Loan Credit Agreement) and the terms and conditions set forth in the DIP Term Loan Document. The Approved Budget and any modification to, or amendment or update of, the Approved Budget shall be subject to the reasonable approval of, and in form and substance reasonably acceptable to the DIP ABL Agent in accordance with the DIP ABL Documents and DIP Term Loan Agent in accordance with the DIP Term Loan Documents. The Debtors will promptly provide the Creditors' Committee with copies of the Approved Budget and any modifications, amendments, or updates thereto that have been approved by the DIP ABL

Agent in accordance with the DIP ABL Documents and DIP Term Loan Agent in accordance with the DIP Term Loan Documents. No amendment or modifications as to the DIP Term Loan Documents shall be made unless the Creditors' Committee is provided with three (3) business days' prior notice. If an objection to the proposed modifications or amendments is expressed by the Creditors' Committee in writing within such time period, then the parties agree to seek an expedited hearing to resolve the objection if it cannot be resolved amongst themselves.

20. Budget Compliance. The use of borrowings and letters of credit under the DIP Term Loan Credit Facility shall be in accordance with the Approved Budget (subject to such variances as permitted in the DIP Term Loan Credit Agreement) and the DIP Term Loan Documents; *provided, however*, that, in the case of the fees, costs and expenses of the DIP Term Loan Agent, the Debtors shall pay such fees, costs and expenses in accordance with the DIP Term Loan Documents and this Final Order without being limited by the Approved Budget.

21. Modification of Automatic Stay. The automatic stay imposed under section 362(a)(2) of the Bankruptcy Code was, pursuant to the Interim Orders, and is hereby modified as necessary to effectuate all of the terms and provisions of the Interim Orders and this Final Order, including, without limitation, to: (a) permit the Debtors to grant on a final basis the DIP Term Loan Liens (as of the date of entry of the First Interim Order), Prepetition Term Loan Adequate Protection Liens (as of the date of entry of the First Interim Order), DIP Term Loan Superpriority Claims, and Prepetition Term Loan Superpriority Claims; (b) permit the Debtors on a final basis to perform such acts as the DIP Term Loan Agent, DIP Term Loan Secured Parties, or the Prepetition Term Loan Administrative Agent each may reasonably request to assure the perfection and priority of the liens granted herein; (c) permit the Debtors on a final basis to incur all liabilities and obligations to the DIP Term Loan Secured Parties, and the Prepetition Term Loan

Secured Parties under the DIP Term Loan Documents, the DIP Term Loan Credit Facility, the Interim Orders, and this Final Order; and (d) authorize the Debtors on a final basis to pay, and the DIP Term Loan Agent, the DIP Term Loan Secured Parties, and the Prepetition Term Loan Secured Parties to retain and apply, payments made in accordance with the terms of the Interim Orders, this Final Order, and the DIP Term Loan Documents.

22. Perfection of DIP Term Loan Liens and Prepetition Term Loan Adequate Protection Liens. The Interim Orders and this Final Order shall be sufficient and conclusive evidence of the creation, validity, perfection, and priority of all liens granted therein and herein, including the DIP Term Loan Liens and the Prepetition Term Loan Adequate Protection Liens, without the necessity of filing or recording any financing statement, mortgage, notice, or other instrument or document which may otherwise be required under the law or regulation of any jurisdiction or the taking of any other action (including, for the avoidance of doubt, entering into any deposit account control agreement) to validate or perfect (in accordance with applicable non-bankruptcy law) the DIP Term Loan Liens, the Prepetition Term Loan Adequate Protection Liens, or to entitle the DIP Term Loan Secured Parties and the Prepetition Term Loan Secured Parties to the priorities granted herein (subject to the DIP Intercreditor Agreement). Notwithstanding the foregoing, the DIP Term Loan Agent and the Prepetition Term Loan Administrative Agent each are authorized to file, as in its reasonable discretion it deems necessary or advisable, such financing statements, security agreements, mortgages, notices of liens, and other similar documents to perfect in accordance with applicable non-bankruptcy law or to otherwise evidence the DIP Term Loan Liens and the Prepetition Term Loan Adequate Protection Liens, and all such financing statements, mortgages, notices, and other documents shall be deemed to have been filed or recorded as of the Petition Date; *provided*, *however*, that no such filing or recordation

shall be necessary or required in order to create or perfect the DIP Term Loan Liens, or the Prepetition Term Loan Adequate Protection Liens. The Debtors were, pursuant to the Interim Orders, and hereby are authorized and directed to execute and deliver reasonably promptly to the DIP Term Loan Agent and Prepetition Term Loan Administrative Agent all such financing statements, mortgages, notices and other documents as the DIP Term Loan Agent and Prepetition Term Loan Administrative Agent may reasonably request; provided that nothing herein shall require the Debtors to obtain any required consent of third parties to any such financing statements, mortgages, notices, and other documents. The DIP Term Loan Agent and the Prepetition Term Loan Administrative Agent, each in its discretion, may file a photocopy of this Final Order as a financing statement with any filing or recording office or with any registry of deeds or similar office, in addition to or in lieu of such financing statements, notices of lien, or similar instrument. To the extent that any Prepetition Term Loan Administrative Agent is the secured party under any security agreement, mortgage, leasehold mortgage, landlord waiver, credit card processor notices or agreements, bailee letters, custom broker agreements, financing statement, account control agreements, or any other Prepetition Term Loan Documents or is listed as loss payee, lenders' loss payee, or additional insured under any of the Debtors' insurance policies, DIP Term Loan Agent shall also be deemed to be the secured party or mortgagee, as applicable, under such documents or to be the loss payee or additional insured, as applicable. The Prepetition Term Loan Administrative Agent shall serve as agent for the DIP Term Loan Agent for purposes of perfecting the DIP Term Loan Agent's liens on all DIP Collateral that, without giving effect to the Bankruptcy Code and this Final Order, is of a type such that perfection of a lien therein may be accomplished only by possession or control by a secured party.

23. Application of Proceeds of Collateral. Subject to the Carve Out, as a condition to the entry of the DIP Term Loan Documents, the extension of credit under the DIP Term Loan Credit Facility and the authorization to use Cash Collateral, the Debtors have agreed that as of and commencing on the date of the First Interim Hearing, the Debtors shall apply all net proceeds of DIP Term Loan Priority Collateral that is sold in the ordinary course or liquidated as follows: (i) *first*, to costs and expenses of the DIP Term Loan Agent; (ii) *second*, to reduce the DIP Term Loan Obligations; (iii) *third*, to reduce the Prepetition Term Loan Obligations; and (iv) after indefeasible repayment in full in cash of the Prepetition Term Loan Obligations and the DIP Term Loan Obligations (including, in each case, provision for contingent obligations), (w) to costs and expenses of the DIP ABL Agent, (x) to reduce the Prepetition ABL Obligations, (y) to reduce the DIP ABL Obligations, and (z) to the repayment of the Canadian Intercompany Superpriority Administrative Claims. The reduction of the Prepetition ABL Obligations and Prepetition Term Loan Obligations is subject to the preservation of rights provided in paragraph 41 herein.

24. Protections of Rights of DIP Term Loan Secured Parties and Prepetition Term Loan Secured Parties.

(i) Unless the DIP Term Loan Agent and the Prepetition Term Loan Administrative Agent shall have provided their prior written consent or all DIP Term Loan Obligations and all Prepetition Term Loan Obligations have been indefeasibly paid in full in cash and all commitments thereunder are terminated, there shall not be entered in any of these Cases or any Successor Cases (including any order confirming any plan of reorganization or liquidation) any order that authorizes any of the following: (i) 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 Prepetition Collateral and/or that is entitled to administrative

priority status, in each case that is superior to or *pari passu* with the DIP Term Loan Liens, the DIP Term Loan Superpriority Claims, the Prepetition Term Loan Liens, the Prepetition Term Loan Adequate Protection Liens, and/or the Prepetition Term Loan Superpriority Claims; (ii) the use of Cash Collateral for any purpose other than as permitted in the DIP Term Loan Documents, the Interim Orders and this Final Order and the Approved Budget (subject to such variances as permitted in the DIP Term Loan Credit Agreement), the return of goods pursuant to section 546(h) of the Bankruptcy Code (or other return of goods on account of any prepetition indebtedness) to any creditor of any Debtor or any creditor's taking any setoff against any of its prepetition indebtedness based upon any such return of goods pursuant to section 553 of the Bankruptcy Code or otherwise, or (iii) any modification of any of the DIP Term Loan Agent's, DIP Term Loan Secured Parties', or the Prepetition Term Loan Secured Parties' rights under the Interim Orders, this Final Order, the DIP Term Loan Documents or the Prepetition Term Loan Documents with respect any DIP Term Loan Obligations or Prepetition Term Loan Obligations.

(ii) The Debtors (and/or their legal and financial advisors in the case of clauses (ii) through (iv) below) will, whether or not the DIP Term Loan Obligations have been indefeasibly paid in full in cash, (i) maintain books, records, and accounts to the extent and as required by the DIP Term Loan Documents, (ii) reasonably cooperate with, consult with, and provide to the DIP Term Loan Secured Parties all such information and documents that any or all of the Debtors are obligated (including upon reasonable request by any of the DIP Term Loan Agent or the DIP Term Loan Secured Parties) to provide under the DIP Term Loan Documents or the provisions of the Interim Orders, this Final Order, or as reasonably requested by the DIP Term Loan Secured Parties, in each case as and to the extent required by the DIP Term Loan Documents, (iii) upon reasonable advance notice, permit consultants, advisors, and other representatives

(including third party representatives) of each of the DIP Term Loan Secured Parties and the Prepetition Term Loan Administrative Agent to visit and inspect any of the Debtors' respective properties, to examine and make abstracts or copies from any of their respective books and records, to tour the Debtors' business premises and other properties, and to discuss, and provide advice with respect to, their respective affairs, finances, properties, business operations, and accounts with their respective officers, employees, independent public accountants, and other professional advisors as and to the extent required by the DIP Term Loan Documents and/or the Prepetition Term Loan Documents, (iv) permit the DIP Term Loan Agent, the DIP Term Loan Secured Parties, and the Prepetition Term Loan Administrative Agent, and their respective consultants, advisors and other representatives to consult with the Debtors' management and advisors on matters concerning the Debtors' businesses, financial condition, operations and assets, in each case as and to the extent required by the DIP Term Loan Documents, and (v) upon reasonable advance notice, permit the DIP Term Loan Agent, the DIP Term Loan Secured Parties and the Prepetition Term Loan Administrative Agent to conduct, at their discretion and at the Debtors' cost and expense, field audits, collateral examinations, liquidation valuations and inventory appraisals at reasonable times in respect of any or all of the DIP Collateral and Prepetition Collateral in each case as and to the extent required by the DIP Term Loan Documents. The Creditors' Committee shall receive any financial reporting required to be provided by the Debtors contemporaneously with the provision of such reports to the DIP Term Loan Secured Parties or Prepetition Term Loan Secured Parties.

(iii) No Debtor shall object to any DIP Term Loan Secured Parties' or any Prepetition Term Loan Secured Parties' credit bidding up to the full amount of the applicable outstanding DIP Term Loan Obligations and Prepetition Term Loan Obligations (as applicable), in

each case, including any accrued interest and expenses, in any sale of any DIP Collateral or Prepetition Collateral, as applicable, and whether such sale is effectuated through Section 363 or 1129 of the Bankruptcy Code, by a Chapter 7 trustee under Section 725 of the Bankruptcy Code, with the approval of the Canadian Court in respect of any sale of assets of the Canadian Loan Parties, or otherwise, subject, in each case, (w) to the rights and duties of the parties under the DIP Intercreditor Agreement, (x) to a Challenge (as defined herein) and (y) to the provision of consideration sufficient to pay in full in cash any senior liens on the collateral that is subject to the credit bid. For the avoidance of doubt, nothing in this paragraph 24 shall prejudice the rights of the Debtors to refinance the DIP Term Loan Obligations, *provided* that the DIP Term Loan Obligations are repaid in full in accordance with the terms of the DIP Term Loan Documents.

25. Proceeds of Subsequent Financing. Except with respect to the DIP ABL Obligations contemplated by the DIP Motion, if the Debtors, any trustee, any examiner with expanded powers, or any responsible officer subsequently appointed in these Cases or any Successor Cases, shall obtain credit or incur debt pursuant to Bankruptcy Code sections 364(b), 364(c), or 364(d) or in violation of the DIP Term Loan Documents at any time prior to the indefeasible repayment in full of all DIP Term Loan Obligations and Prepetition Term Loan Obligations, and the termination of the DIP Term Loan Secured Parties' obligation to extend credit under the DIP Term Loan Credit Facility, including subsequent to the confirmation of any plan with respect to any or all of the Debtors and the Debtors' estates, and such facilities are secured by any DIP Collateral, then all the cash proceeds derived from such credit or debt shall immediately be turned over to the DIP Term Loan Agent to be applied in accordance with this Final Order, the DIP Term Loan Documents and the DIP Intercreditor Agreement.

26. Cash Collection. From and after the date of the entry of the First Interim Order, the Debtors shall continue to maintain cash management in accordance with the DIP Term Loan Documents, as modified by this Final Order. Unless otherwise agreed to in writing by the DIP Term Loan Agent and Prepetition Term Loan Administrative Agent, the Debtors shall maintain no accounts except those identified in any interim and/or final order granting the *Debtors' Motions for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Continue to Operate their Cash Management System, (B) Honor Certain Prepetition Obligations Related Thereto, (C) Maintain Existing Business Forms, and (D) Continue to Perform Intercompany Transactions, and (II) Granting Related Relief* (the "Cash Management Order"). Until such time as Debtors are able to establish a deposit account at a bank other than Wells Fargo Bank, National Association to serve as the TL Deposit Account (as defined in the DIP Term Loan Credit Agreement), the account established for such purpose at Wells Fargo Bank, National Association shall constitute such TL Deposit Account and shall be subject to a fully perfected first priority lien and security interest in favor of the DIP Term Loan Agent as fully as if it were subject to a control agreement in favor of the DIP Term Loan Agent. For the avoidance of doubt, any TL Deposit Account shall not be subject to any liens or security interests other than liens and security interests in favor of the DIP Term Loan Agent.

27. Maintenance of DIP Collateral. Until the indefeasible payment in full of all DIP Term Loan Obligations, all Prepetition Term Loan Obligations, and the termination of the DIP Term Loan Secured Parties' obligation to extend credit under the DIP Term Loan Credit Facility, the Debtors shall: (a) insure the DIP Collateral as required under the DIP Term Loan Documents or the Prepetition Term Loan Documents, as applicable; and (b) maintain the cash management system in effect as of the Petition Date, as modified by any Cash Management Order which has

first been agreed to by the DIP Term Loan Agent or as otherwise required by the DIP Term Loan Documents.

28. Disposition of DIP Collateral. The Debtors shall not sell, transfer, lease, encumber or otherwise dispose of any portion of the DIP Term Loan Priority Collateral or Prepetition Term Loan Priority Collateral other than in the ordinary course of business without the prior written consent of the DIP Term Loan Agent (acting at the direction of the Required Term DIP Lenders) and the Prepetition Term Loan Administrative Agent (acting at the direction of the "Required Lenders" (as defined in the Prepetition Term Loan Credit Agreement) (and no such consent shall be implied, from any other action, inaction or acquiescence by the DIP Term Loan Secured Parties, or Prepetition Term Loan Secured Parties), except as otherwise provided for in the DIP Term Loan Documents, and subject to the DIP Intercreditor Agreement.

29. Termination Date. On the Termination Date, (a) all DIP Term Loan Obligations shall be immediately due and payable, all commitments to extend credit under the DIP Term Loan Credit Facility will terminate, other than as required in paragraph 38 with respect to the Carve Out, and (b) all authority to use Cash Collateral shall cease. For the purposes of this Final Order, the "DIP Term Loan Termination Date" shall mean the date the commitments are terminated pursuant to the terms of the DIP Term Loan Credit Agreement, including with respect to any cross termination rights with respect to the termination of the DIP ABL Credit Agreement in accordance with its terms.

30. Events of Default. The occurrence of any of the following events, unless waived by the DIP Term Loan Agent in writing and in accordance with the terms of the applicable DIP Term Loan Documents, shall constitute an event of default (collectively, the "Events of Default"): (a) the failure of the Debtors to perform, in any respect, any of the terms, provisions,

conditions, covenants, or obligations under this Final Order or any Canadian Recognition Order, including, without limitation, failure to make any payment under this Final Order when due, (b) the occurrence of an "Event of Default" under, and as defined in, the DIP Term Loan Credit Agreement, (c) any adverse modifications, amendments, or reversal of the Interim Orders or this Final Order, and no such waiver shall be implied by any other action, inaction or acquiescence by any party, (d) an order converting or dismissing any of the Cases, (e) an order appointing a chapter 11 trustee in the Cases, (f) an order appointing an examiner with enlarged powers in the Cases (beyond those set forth in sections 1106(a)(3) and (4) of the Bankruptcy Code, and (g) a plan proposed by the Debtors or confirmation thereof that does not propose to indefeasibly repay the DIP Term Loan Obligations in full in cash, unless otherwise consented to by the DIP Term Loan Agent.

31. Milestones. As a condition to the DIP Term Loan Credit Facility and the use of Cash Collateral, the Debtors shall comply with the case milestones set forth in the DIP Term Loan Credit Agreement, as modified by the order approving the *Debtors' Motion Seeking Entry of an Order (I) Approving the Bidding Procedures and Related Dates and Deadline, (II) Scheduling Hearings and Objection Deadlines with Respect to the Debtors' Disclosure Statement and Plan Confirmation, and (III) Granting Related Relief* [Docket No 22], subject to waiver or extension on the terms set forth in the DIP Term Loan Credit Agreement. For the avoidance of doubt, the terms herein with respect to any milestones shall after the date of this Final Order supersede any such language in the Interim Orders.

32. Rights and Remedies Upon Event of Default. Upon the occurrence and during the continuation of an Event of Default under the DIP Term Loan Documents, notwithstanding the provisions of section 362 of the Bankruptcy Code, without any application,

motion or notice to, hearing before, or order from the Court, but subject to the terms of this Final Order and the Canadian Recognition Orders (a) the DIP Term Loan Agent may declare (any such declaration shall be referred to herein as a "Termination Declaration") (1) all DIP Term Loan Obligations owing under the DIP Term Loan Documents to be immediately due and payable, (2) the termination, reduction, or restriction of any further commitment to extend credit to the Debtors to the extent any such commitment remains under the DIP Term Loan Credit Facility, (3) termination of the DIP Term Loan Credit Facility and the DIP Term Loan Documents as to any future liability or obligation of the DIP Term Loan Secured Parties, but without affecting any of the DIP Term Loan Liens or the DIP Term Loan Obligations, and (4) that the application of the Carve Out has occurred through the delivery of the Carve Out Trigger Notice to the Borrowers; (b) interest, including, where applicable, default interest, shall accrue and be paid as set forth in the DIP Term Loan Documents, and (c) the DIP Term Loan Agent may declare a termination, reduction, or restriction on the ability of the Debtors to use Term Loan Cash Collateral (the date which is the earliest to occur of (i) any such date a Termination Declaration is delivered by DIP Term Loan Agent or a "Termination Declaration" (as defined in the Interim Orders) is delivered by DIP ABL Agent and (ii) the DIP ABL Termination Date or DIP Term Loan Termination Date (as applicable), shall be referred to herein as the "Termination Date"). The Termination Declaration shall be given by electronic mail (or other electronic means) to counsel to the Debtors, counsel to the DIP ABL Agent, counsel to the Creditors' Committee and any other committee appointed under section 1102 or 1104 of the Bankruptcy Code, and the U.S. Trustee. The automatic stay in the Cases otherwise applicable to the DIP Term Loan Secured Parties, and the Prepetition Term Loan Secured Parties is hereby modified so that seven (7) business days after the date a Termination Declaration is delivered (the "Remedies Notice Period"): (A) the DIP Term

Loan Secured Parties shall be entitled to exercise their rights and remedies in accordance with the respective DIP Term Loan Documents, the Interim Orders and this Final Order and shall be permitted to satisfy the relevant DIP Term Loan Obligations, DIP Superpriority Claim and DIP Term Loan Liens, subject to the Carve Out, (B) the Prepetition Term Loan Secured Parties shall be entitled to exercise their rights and remedies to satisfy the relevant Prepetition Term Loan Secured Obligations, Prepetition Term Loan Superpriority Claims, and Prepetition Term Loan Adequate Protection Liens, subject to and consistent with (i) the Carve Out, (ii) this Final Order, and (iii) the DIP Intercreditor Agreement. During the Remedies Notice Period, unless otherwise ordered by the Court, the Debtors and/or the Creditors' Committee shall be entitled to seek an emergency hearing within the Remedies Notice Period on any basis and the DIP Term Loan Agent shall consent to such an emergency hearing. During the Remedies Notice Period, DIP Term Loan Secured Parties shall not be required to consent to the use of any Cash Collateral or provide any loans or other financial accommodations under the DIP Term Loan Credit Facility other than for the payment of accrued and unpaid employee wages and benefits otherwise payable in the ordinary course and in accordance with the Approved Budget and subject to paragraph 38 and availability under the DIP Term Loan Credit Agreement. Unless the Court orders otherwise, the automatic stay, as to all of the DIP Term Loan Secured Parties, and Prepetition Term Loan Secured Parties, shall automatically be terminated at the end of the Remedies Notice Period without further notice or order. Upon expiration of the Remedies Notice Period, the DIP Term Loan Secured Parties, and the Prepetition Term Loan Secured Parties shall be permitted to exercise all remedies set forth herein, in the DIP Term Loan Documents, the Prepetition Term Loan Documents, and as otherwise available at law without further order of or application or motion to the Court consistent with the DIP Intercreditor Agreement.

33. Good Faith Under Section 364(e) of the Bankruptcy Code; No Modification or Stay of this Final Order. The DIP Term Loan Secured Parties have acted in good faith in connection with the Interim Orders and this Final Order and are entitled to rely upon the protections granted herein and by section 364(e) of the Bankruptcy Code. Based on the findings set forth in this Final Order and the record made during the Interim Hearings and the Final Hearing, and in accordance with section 364(e) of the Bankruptcy Code, in the event any or all of the provisions of the Interim Orders or this Final Order are hereafter modified, amended or vacated by a subsequent order of this Court or any other court, the DIP Term Loan Secured Parties are entitled to the protections provided in section 364(e) of the Bankruptcy Code. Any such modification, amendment or vacatur shall not affect the validity and enforceability of any advances previously made or made hereunder, or lien, claim or priority previously or hereby authorized or created.

34. DIP and Other Expenses. The Debtors are authorized and directed to pay all reasonable and documented fees and expenses of (x) the DIP Term Loan Agent and DIP Term Loan Secured Parties in connection with the DIP Term Loan Credit Facility, as provided in the DIP Term Loan Documents (subject to applicable limitations on the DIP Parties' obligations to pay such amounts in the DIP Term Loan Documents), whether or not the transactions contemplated hereby are consummated, and (y) the Prepetition Term Loan Administrative Agent and Prepetition Term Loan Secured Parties (including the fees and expenses of counsel), as provided in the applicable Prepetition Term Loan Document, subject to the terms of this paragraph. Payment of all such fees and expenses shall not be subject to allowance by the Court. Professionals for the DIP Term Loan Agent, the DIP Term Loan Secured Parties, the Prepetition Term Loan Administrative Agent, and the Prepetition Term Loan Secured Parties shall not be required to comply with the U.S. Trustee fee guidelines. No attorney or advisor to the DIP Term Loan Agent,

DIP Term Loan Secured Parties, Prepetition Term Loan Administrative Agent, or Prepetition Term Loan Secured Parties shall be required to file an application seeking compensation for services or reimbursement of expenses with the Court. No fees or expenses of the DIP Term Loan Secured Parties, DIP Term Loan Agent, or Prepetition Term Loan Secured Parties shall be paid prior to the provision of a monthly statement or invoice (which may be presented in summary form and/or redacted or modified to the extent necessary to delete any information subject to the attorney-client privilege, any information constituting attorney-work product, or any other confidential information, and the provision of such invoices shall not constitute any waiver of the attorney-client privilege or of any benefits of the attorney-work product doctrine) to counsel for the Creditors' Committee and the Office of the United States Trustee (hereinafter "Lender Expense Notice Parties"). Any Lender Expense Notice Party shall have ten (10) days after submission of such invoice to assert an objection to payment of the amounts sought in the subject invoice. Provided no objection has been raised by any such Lender Expense Notice Party(ies) within the time period provided for herein, the Debtors (or DIP Term Loan Agent, as applicable) shall be authorized without further order of the Court to pay such invoice. In the event a Lender Expense Notice Party(ies) asserts an objection within the time period provided for herein, the Debtors (or DIP Term Loan Agent, as applicable) shall be authorized without further order of the Court to pay the undisputed portion of such invoice and any dispute with regard to amounts objected to shall be resolved by the Court.

35. Budget. The Approved Budget was approved pursuant to the Interim Orders and the Budget attached hereto as Exhibit A hereby is approved and the proceeds of the DIP Term Loan Credit Facility and Cash Collateral under the Interim Orders and Final Order shall be used by the Debtors in accordance with the Approved Budget (subject to such variances as permitted in

the DIP Term Loan Credit Agreement), the Interim Orders, this Final Order, and the DIP Term Loan Documents and to fund the Carve Out, subject to the terms and limitations provided in paragraph 38 below. None of the DIP Term Loan Secured Parties' consent (if any) to, or acknowledgement of, the Approved Budget shall be construed as consent to use the proceeds of the DIP Term Loan Credit Facility or Cash Collateral beyond the respective maturity dates set forth in the DIP Term Loan Documents, regardless of whether the aggregate funds shown on the Approved Budget have been expended.

36. Indemnification. The Debtors shall indemnify and hold harmless the DIP Term Loan Secured Parties in accordance with the terms and conditions of the DIP Term Loan Credit Agreement.

37. Master Proofs of Claim. The DIP Term Loan Secured Parties and the Prepetition Term Loan Secured Parties will not be required to file proofs of claim in any of the Cases or Successor Cases for any claim allowed herein. Notwithstanding any order entered by the Court in relation to the establishment of a bar date in any of the Cases or Successor Cases to the contrary, and in order to facilitate the processing of claims, to ease the burden upon the Court and to reduce an unnecessary expense to the Debtors' estates, the Prepetition Term Loan Administrative Agent and/or each other Prepetition Term Loan Secured Party is authorized to file in the Debtors' lead chapter 11 Case, Case No. 19-11608, a single, master proof of claim on behalf of the relevant Prepetition Term Loan Secured Parties on account of any and all of their respective claims arising under the applicable Prepetition Term Loan Documents and hereunder (each a "Master Proof of Claim") against each of the Debtors. Upon the filing of a Master Proof of Claim against each of the Debtors, the Prepetition Term Loan Secured Parties, and each of their respective successors and assigns, shall be deemed to have filed a proof of claim in the amount set forth opposite its

name therein in respect of its claims against each of the Debtors of any type or nature whatsoever with respect to the applicable Prepetition Term Loan Documents, and the claim of each Prepetition Term Loan Secured Party (and each of its respective successors and assigns), named in a Master Proof of Claim shall be treated as if such entity had filed a separate proof of claim in each of these Cases. The Master Proofs of Claim shall not be required to identify whether any Prepetition Term Loan Secured Party acquired its claim from another party and the identity of any such party or to be amended to reflect a change in the holders of the claims set forth therein or a reallocation among such holders of the claims asserted therein resulting from the transfer of all or any portion of such claims. The provisions of this paragraph and each Master Proof of Claim are intended solely for the purpose of administrative convenience and shall not affect the right of each Prepetition Term Loan Secured Party (or its successors in interest) to vote separately on any plan proposed in these Cases. The Master Proofs of Claim shall not be required to attach any instruments, agreements or other documents evidencing the obligations owing by each of the Debtors to the applicable Prepetition Term Loan Secured Parties, which instruments, agreements or other documents will be provided upon reasonable request to counsel to the Prepetition Term Loan Administrative Agent.

38. Carve Out.

(a) Carve Out. As used in this Final Order, the "Carve Out" means the sum of (i) all fees required to be paid to the Clerk of the Court and to the Office of the United States Trustee under section 1930(a) of title 28 of the United States Code plus interest at the statutory rate; (ii) all reasonable fees and expenses up to $50,000 incurred by a trustee under section 726(b) of the Bankruptcy Code (the "Chapter 7 Trustee Carve-Out") and all approved expenses incurred by members of the Creditors' Committee solely in their capacity as such (the "Committee Expenses"); (iii) to the extent allowed at any time, whether by interim order, final order, procedural

order, or otherwise, all unpaid fees and expenses (the "Allowed Professional Fees") incurred by persons or firms retained by the Debtors pursuant to section 327, 328, or 363 of the Bankruptcy Code (the "Debtor Professionals") and the Creditors' Committee pursuant to section 328 or 1103 of the Bankruptcy Code (the "Committee Professionals" and, together with the Debtor Professionals, the "Professional Persons") at any time before or on the first business day following delivery by the DIP ABL Agent or DIP Term Loan Agent of a Carve Out Trigger Notice (as defined below), whether allowed by the Court prior to or after delivery of a Carve Out Trigger Notice; and (v) Allowed Professional Fees of Professional Persons in an aggregate amount not to exceed $1,250,000 incurred after the first business day following delivery by the DIP ABL Agent or the DIP Term Loan Agent of the Carve Out Trigger Notice, to the extent allowed at any time, whether by interim order, procedural order, or otherwise (the amounts set forth in this clause (iv) being the "Post-Carve Out Trigger Notice Cap").[7] For purposes of the foregoing, "Carve Out Trigger Notice" shall mean a written notice delivered by email (or other electronic means) by the DIP ABL Agent or DIP Term Loan Agent to the Debtors, their lead restructuring counsel, the U.S. Trustee, and counsel to the Creditors' Committee, which notice may be delivered following the occurrence and during the continuation of an Event of Default and acceleration of the DIP Term Loan Obligations or an "Event of Default" under the DIP ABL Documents and acceleration of the DIP ABL Obligations, respectively, stating that the Post Carve Out Trigger Notice Cap has been invoked.

(b) Fee Estimates. Not later than 7:00 p.m. New York time on the third business day of each week starting with the first full calendar week following the Closing Date, each

[7] Notwithstanding the foregoing, up to $250,000 of the Post-Carve Out Trigger Notice Cap may be used to pay Allowed Professional Fees of Professional Persons incurred prior to the delivery of a Carve Out Trigger Notice to the extent such Allowed Professional Fees exceed the Professional Fee Carve Out Cap (as defined below).

Professional Person shall deliver to the Debtors a statement setting forth a good-faith estimate of the amount of fees and expenses (collectively, "Estimated Fees and Expenses") incurred during the preceding week by such Professional Person (through Saturday of such week, the "Calculation Date"), along with a good-faith estimate of the cumulative total amount of unreimbursed fees and expenses incurred through the applicable Calculation Date and a statement of the amount of such fees and expenses that have been paid to date by the Debtors (each such statement, a "Weekly Statement"); *provided, that* within one business day of the occurrence of the Termination Declaration Date (as defined below), each Professional Person shall deliver one additional statement (the "Final Statement") setting forth a good-faith estimate of the amount of fees and expenses incurred during the period commencing on the calendar day after the most recent Calculation Date for which a Weekly Statement has been delivered and concluding on the Termination Declaration Date. For purposes of this paragraph 38(b) and paragraph 38(c), counsel to the Creditors' Committee will be deemed to be the party that has incurred the Committee Expenses, all references to a "Professional Person" shall be deemed to include the counsel to the Creditors' Committee in respect of the Committee Expenses and all references to "Allowed Professional Fees" will be deemed to include the Committee Expenses. If any Professional Person fails to deliver a Weekly Statement within three calendar days after such Weekly Statement is due, such Professional Person's entitlement (if any) to any funds in the Carve Out Reserves (as defined below) with respect to the aggregate unpaid amount of Allowed Professional Fees for the applicable period(s) for which such Professional Person failed to deliver a Weekly Statement covering such period shall be limited to the aggregate unpaid amount of Allowed Professional Fees included in the Approved Budget for such period for such Professional Person; *provided, that* such Professional Person shall be entitled to be paid any unpaid amount of Allowed Professional Fees

in excess of Allowed Professional Fees included in the Approved Budget for such period for such Professional Person from a reserve to be funded by the Debtors from all cash on hand as of such date and any available cash thereafter held by any Debtor pursuant to paragraph 38(c) below. Solely as it relates to the DIP ABL Agent and DIP ABL Secured Parties, any deemed draw and borrowing pursuant to paragraph 38(c)(i) for amounts under paragraph 38(a)(iii) above shall be limited to the greater of (x) the sum of (I) the aggregate unpaid amount of Estimated Fees and Expenses included in such Weekly Statements timely received by the Debtors prior to the Termination Declaration Date *plus*, without duplication, (II) the aggregate unpaid amount of Estimated Fees and Expenses included in the Final Statements timely received by the Debtors pertaining to the period through and including the Termination Declaration Date, and (y) the aggregate unpaid amount of Allowed Professional Fees included in the Approved Budget for the period prior to the Termination Declaration Date (such amount, the "Professional Fee Carve Out Cap"). For the avoidance of doubt, the DIP ABL Agent and DIP ABL Lenders shall be entitled to maintain at all times a reserve (the "Carve-Out Reserve") in an amount (the "Carve-Out Reserve Amount") equal to the sum of (i) the greater of (x) the aggregate unpaid amount of Estimated Fees and Expenses included in all Weekly Statements timely received by the Debtors, and (y) the aggregate amount of Allowed Professional Fees contemplated to be unpaid in the Approved Budget at the applicable time, *plus* (ii) the Post-Carve Out Trigger Notice Cap, *plus* (iii) an amount equal to the amount of Allowed Professional Fees set forth in the Approved Budget for the following week occurring after the most recent Calculation Date, *plus* (iv) the amounts contemplated under paragraph 38(a)(i) and 38(a)(ii) above. Not later than 7:00 p.m. New York time on the fourth business day of each week starting with the first full calendar week following the Closing Date, the Debtors shall deliver to the DIP ABL Agent, the DIP Term Loan Agent, and

the Creditors' Committee concurrently a report setting forth the Carve-Out Reserve Amount as of such time (the "Fee Report"), and, in setting the Carve Out Reserve, the DIP ABL Agent and DIP ABL Lenders shall be entitled to rely upon such reports in accordance with the DIP ABL Credit Agreement or the DIP Term Loan Credit Agreement. Prior to the delivery of the first report setting forth the Carve-Out Reserve Amount, the DIP ABL Agent or the DIP Term Loan Agent may calculate the Carve-Out Reserve Amount by reference to the Approved Budget for subsection (i) of the Carve-Out Reserve Amount. Notwithstanding anything herein to the contrary, DIP ABL Agent may increase the Carve-Out Reserve Amount to include additional amounts with respect to any monitoring charge or other charge arising from the Canadian insolvency proceeding of the Canadian Borrower and for the projected amount of any success, completion, commission-based, or other non-hourly fees billed by or due to any financial advisor, investment banker (including any "Sale Transaction Fee" or "Supplemental Sale Transaction Fee" (each as defined below)), monitor, or other Professional engaged by any Debtor, the Creditors' Committee, or any committee in the Cases.

(c) Carve Out Reserves. On the day on which a Carve Out Trigger Notice is given by either the DIP ABL Agent or the DIP Term Loan Agent to the Debtors with a copy to counsel to the Creditors' Committee (the "Termination Declaration Date"), the Carve Out Trigger Notice shall be deemed (i) a draw request and notice of borrowing by the Debtors for DIP ABL Loans under the DIP ABL Credit Agreement in an amount equal to the sum of (x) the amounts set forth in paragraphs (a)(i) and (a)(ii), above, and (y) the then unpaid amounts of the Allowed Professional Fees up to the Professional Fee Carve Out Cap (any such amounts actually advanced shall constitute DIP ABL Loans) and (ii) a draw request and notice of borrowing by the Debtors for DIP Term Loans under the DIP Term Loan Facility in an amount equal to the unpaid amounts

of the Allowed Professional Fees in excess of the Professional Fee Carve Out Cap (any such amounts actually advanced shall constitute DIP Term Loans), and shall also constitute a demand to the Debtors to utilize all cash on hand as of such date and any available cash thereafter held by any Debtor to fund a reserve in an amount equal to the then unpaid amounts of the Allowed Professional Fees (which cash amounts shall reduce, on a dollar-for-dollar basis, the draw requests and applicable DIP ABL Loans and DIP Term Loans pursuant to the foregoing clauses (i) and (ii) of this sentence of this paragraph (c)). The Debtors shall deposit and hold such amounts in a segregated account at the DIP ABL Agent in trust exclusively to pay such unpaid Allowed Professional Fees (the "Pre-Carve Out Trigger Notice Reserve"). On the Termination Declaration Date, the Carve Out Trigger Notice shall also be deemed a request by the Debtors for (1) DIP ABL Loans under the DIP ABL Credit Agreement in an amount equal to the Post Carve Out Trigger Notice Cap (any such amounts actually advanced shall constitute DIP ABL Loans) and, (2) to the extent not funded by the DIP ABL Lenders, for DIP Term Loans in an amount equal to any unfunded portion of the Post-Carve Out Trigger Notice Cap (any such amounts actually advanced shall constitute DIP Term Loans), and shall also constitute a demand to the Debtors to utilize all cash on hand as of such date and any available cash thereafter held by any Debtor to fund a reserve in an amount equal to the Post-Carve Out Trigger Notice Cap (which cash amounts shall reduce, on a dollar-for-dollar basis, the draw requests and applicable DIP ABL Loans and DIP Term Loans pursuant to the foregoing clauses (1) and (2) of this sentence of this paragraph (c)). The Debtors shall deposit and hold such amounts in a segregated account at the DIP ABL Agent in trust exclusively to pay such Allowed Professional Fees benefiting from the Post-Carve Out Trigger Notice Cap (the "Post Carve Out Trigger Notice Reserve" and, together with the Pre-Carve Out Trigger Notice Reserve, the "Carve Out Reserves"). On the third business day following the

Termination Declaration Date and the deemed requests for the making of DIP ABL Loans and DIP Term Loans as provided in this paragraph (c), notwithstanding anything in the DIP ABL Credit Agreement or the DIP Term Loan Credit Agreement to the contrary, including with respect to (1) the existence of a Default (as defined in the DIP ABL Credit Agreement or the DIP Term Loan Credit Agreement), Event of Default or an "Event of Default" (as defined in the DIP ABL Credit Agreement), (2) the failure of the Debtors to satisfy any or all of the conditions precedent for the making of any DIP ABL Loan under the DIP ABL Credit Agreement or DIP Term Loans under the DIP Term Loan Credit Agreement, respectively, (3) any termination of the DIP ABL Loan Commitments or commitments under the DIP Term Loan Credit Facility following an Event of Default or "Event of Default" (as defined in the DIP ABL Credit Agreement), or (4) the occurrence of the Maturity Date (as defined in the ABL DIP Credit Agreement or DIP Term Loan Credit Agreement), each DIP ABL Lender and DIP Term Loan Lender with an outstanding Commitment shall make available to the DIP ABL Agent or DIP Term Loan Agent, as applicable, such DIP ABL Lender's or such DIP Term Loan Lender's pro rata share of such DIP ABL Loans or DIP Term Loans, as applicable. For the avoidance of doubt, the Carve Out Reserves shall constitute the primary source for payment of Allowed Professional Fees entitled to benefit from the Carve Out, and any lien priorities or superpriority claims granted pursuant to this Final Order to secure payment of the Carve Out shall be limited to any shortfall in funding as provided below.

(d) Application of Carve Out Reserves.

(i) All funds in the Pre-Carve Out Trigger Notice Reserve shall be used first to pay the obligations set forth in subparagraphs (a)(i) through (a)(iii) of the definition of Carve Out set forth above (the "Pre-Carve Out Amounts"), but not, for the avoidance of doubt, the Post-Carve Out Trigger Notice Cap (other than amounts up to $250,000 to the extent the Pre-Carve

Out Amounts exceed the Professional Fee Carve Out Cap), until paid in full. If the Pre-Carve Out Trigger Notice Reserve has not been reduced to zero, subject to clause (iii), below, all remaining funds shall be distributed *first* to the DIP ABL Agent on account of the applicable DIP ABL Obligations until indefeasibly paid in full, in cash, all Commitments have been terminated, and all Letters of Credit have been cancelled (or all such Letters of Credit have been fully cash collateralized or otherwise back-stopped, in each case to the satisfaction of the applicable Issuing Bank), and *thereafter* to the Prepetition ABL Secured Parties in accordance with their rights and priorities as of the Petition Date.

(ii) All funds in the Post-Carve Out Trigger Notice Reserve (other than up to $250,000, which may be used to pay Pre-Carve Out Amounts to the extent they exceed the Professional Fee Carve Out Cap) shall be used first to pay the obligations set forth in clause (iv) of the definition of Carve Out set forth above (the "Post-Carve Out Amounts"). If the Post-Carve Out Trigger Notice Reserve has not been reduced to zero, subject to clause (iii), below, all remaining funds shall be distributed *first* to the DIP ABL Agent on account of the applicable DIP ABL Obligations until indefeasibly paid in full, in cash, all Commitments have been terminated, and all Letters of Credit have been cancelled (or all such Letters of Credit have been fully cash collateralized or otherwise back-stopped, in each case to the satisfaction of the applicable Issuing Bank), and *thereafter* to the Prepetition ABL Secured Parties in accordance with their rights and priorities as of the Petition Date.

(iii) Notwithstanding anything to the contrary in the DIP ABL Credit Agreement, DIP Term Loan Credit Agreement or this Final Order, if either of the Carve Out Reserves is not funded in full in the amounts set forth in this paragraph (c), then, any excess funds in one of the Carve Out Reserves following the payment of the Pre-Carve Out Amounts and

Post-Carve Out Amounts, respectively, shall be used to fund the other Carve Out Reserve to the extent of any shortfall in funding prior to making any payments to the DIP ABL Agent or the Prepetition ABL Secured Parties, as applicable.

(iv) Notwithstanding anything to the contrary in the DIP ABL Credit Agreement, DIP Term Loan Credit Agreement, or this Final Order, following the third business day after delivery of a Carve Out Trigger Notice, the DIP ABL Agent, the Prepetition ABL Agent, the DIP Term Loan Agent, and the Prepetition Term Loan Administrative Agent shall not sweep or foreclose on cash (including cash received as a result of the sale or other disposition of any assets) of the Debtors until the Carve Out Reserves have been fully funded, but shall have a security interest in any residual interest in the Carve Out Reserves, with any excess paid as provided in paragraphs (ii) and (iii) above.

(v) Notwithstanding anything to the contrary in this Final Order, (i) the failure of the Carve Out Reserves to satisfy in full the Allowed Professional Fees shall not affect the priority of the Carve Out with respect to any shortfall (as described below), and (ii) subject to the limitations with respect to the DIP ABL Agent, DIP ABL Secured Parties, Prepetition ABL Agent and Prepetition ABL Secured Parties set forth in paragraph (b), above, in no way shall any Approved Budget, Carve Out, Post-Carve Out Trigger Notice Cap or Carve Out Reserves be construed as a cap or limitation on the amount of the Allowed Professional Fees due and payable by the Debtors. For the avoidance of doubt and notwithstanding anything to the contrary herein or in the DIP ABL Credit Agreement or the DIP Term Loan Credit Agreement, the Carve Out subject to the Professional Fee Carve Out Cap shall be senior to all liens and claims securing the DIP ABL Credit Agreement or the DIP Term Loan Credit Agreement, the Prepetition ABL Adequate Protection Liens, the Prepetition Term Loan Adequate Protection Liens, and the

Diminution in Value claims, and any and all other forms of adequate protection, liens, or claims securing the DIP ABL Obligations, DIP Term Loan Obligations, the Prepetition ABL Obligations, or the Prepetition Term Loan Obligations and shall be deemed a true carve out from the Prepetition Term Loan Priority Collateral and not from any property of the Debtors' estates not subject to the Prepetition Term Loan Liens.

(vi) Notwithstanding anything herein to the contrary, the Carve Out in respect of any "Transaction Fees" for Houlihan Lokey will be junior to the Prepetition ABL Obligations and DIP ABL Obligations to the extent secured by the DIP ABL Priority Collateral other than (x) the pro rata share (determined in proportion to the allocation of the "Transaction" proceeds as between the DIP ABL Priority Collateral and the DIP Term Priority Collateral) of any "Sale Transaction Fee" or "Supplemental Sale Transaction Fee" (as each term is defined in the Debtors' engagement letter with Houlihan Lokey) authorized by the Court in respect of a "Sale Transaction" (as defined in such engagement letter) that is a going concern sale (and not a liquidation sale) of the DIP ABL Priority Collateral consented to by DIP ABL Agent or (y) to the extent otherwise agreed in writing by the DIP ABL Agent in its sole discretion.

(e) No Direct Obligation To Pay Allowed Professional Fees. The DIP ABL Agent, DIP Term Loan Agent, DIP ABL Secured Parties and DIP Term Loan Secured Parties shall not be responsible for the payment or reimbursement of any fees or disbursements of any Professional Person incurred in connection with the Cases or any Successor Cases under any chapter of the Bankruptcy Code. Nothing in this Final Order or otherwise shall be construed to obligate the DIP ABL Agent, DIP Term Loan Agent, DIP ABL Secured Parties and DIP Term Loan Secured Parties, in any way, to pay compensation to, or to reimburse expenses of, any Professional

Person or to guarantee that the Debtors have sufficient funds to pay such compensation or reimbursement.

(f) Payment of Allowed Professional Fees Prior to the Termination Declaration Date. Any payment or reimbursement made prior to the occurrence of the Termination Declaration Date in respect of any Allowed Professional Fees shall not reduce the Carve Out.

(g) Payment of Carve Out On or After the Termination Declaration Date. Any payment or reimbursement made on or after the occurrence of the Termination Declaration Date in respect of any Allowed Professional Fees shall permanently reduce the Carve Out on a dollar-for-dollar basis. Any funding of the Carve Out shall be added to, and made a part of, the DIP ABL Obligations or DIP Term Loan Obligations, as applicable, secured by the DIP Collateral and shall be otherwise entitled to the protections granted under the Interim Orders, this Final Order, the DIP ABL Documents, the DIP Term Loan Documents, the Bankruptcy Code, and applicable law.

(h) Reservation of Rights. Nothing herein shall be construed to impair the right or ability of any party to object to the fees, expenses, reimbursement, or other compensation described with respect to these Carve-Out provisions.

39. Limitations on the Use of DIP Proceeds, Cash Collateral and Carve Out. The DIP ABL Credit Facility, the DIP Term Loan Credit Facility, the DIP Collateral, the Prepetition Collateral, the Cash Collateral, and the Carve Out may not be used in connection with: (a) preventing, hindering, or delaying any of the DIP ABL Agent's, the DIP Term Loan Agent's, the DIP ABL Secured Parties', the DIP Term Loan Secured Parties', the Prepetition ABL Secured Parties' or the Prepetition Term Loan Secured Parties' enforcement or realization upon any of the DIP Collateral or Prepetition Collateral; (b) using or seeking to use Cash Collateral without the

consent of the DIP ABL Agent or the DIP Term Loan Agent and the Required DIP Term Loan Lenders; (c) using or seeking to use any insurance proceeds constituting DIP Collateral without the consent of the DIP ABL Agent or the DIP Term Loan Agent and the Required DIP Term Loan Lenders, as applicable, *provided, however* that the Debtors may use or seek to use any insurance proceeds constituting DIP Collateral if the DIP Obligations are repaid in full in accordance with the terms of the DIP Documents; (d) incurring Indebtedness (as defined in the DIP ABL Credit Agreement or the DIP Term Loan Credit Agreement, as applicable) secured by liens senior or *pari passu* to the DIP ABL Liens, the Prepetition ABL Liens, and/or the Prepetition ABL Adequate Protection Liens without the prior consent of the DIP ABL Agent or the DIP Term Loan Agent and the Required DIP Term Loan Lenders, as applicable, except to the extent permitted under the DIP ABL Credit Agreement or DIP Term Loan Credit Agreement, as applicable; (e) seeking to amend or modify any of the rights granted to the DIP ABL Agent, DIP Term Loan Agent, the DIP ABL Secured Parties, the DIP Term Loan Secured Parties, the Prepetition ABL Secured Parties or the Prepetition Term Loan Secured Parties under the Interim Orders, this Final Order, the DIP ABL Documents, the DIP Term Loan Documents, the Prepetition ABL Documents or the Prepetition Term Loan Documents, including seeking to use Cash Collateral and/or DIP Collateral on a contested basis; (f) objecting to or challenging in any way the DIP ABL Liens, DIP Term Loan Liens, DIP ABL Obligations, DIP Term Loan Obligations, Prepetition ABL Liens, Prepetition Term Loan Liens, Prepetition ABL Obligations, Prepetition Term Loan Obligations, DIP Collateral (including Cash Collateral) or, as the case may be, Prepetition Collateral, or any other claims or liens, held by or on behalf of any of the DIP ABL Agent, DIP Term Loan Agent, the DIP ABL Secured Parties, the DIP Term Loan Secured Parties, the Prepetition ABL Secured Parties or the Prepetition Term Loan Secured Parties, respectively; (g) asserting, commencing or prosecuting

any claims or causes of action whatsoever, including, without limitation, any actions under Chapter 5 of the Bankruptcy Code or applicable state law equivalents or actions to recover or disgorge payments, against any of the DIP ABL Agent, DIP Term Loan Agent, the DIP ABL Secured Parties, the DIP Term Loan Secured Parties, the Prepetition ABL Secured Parties or the Prepetition Term Loan Secured Parties, or any of their respective affiliates, agents, attorneys, advisors, professionals, officers, directors and employees; (h) litigating, objecting to, challenging, or contesting in any manner, or raising any defenses to, the validity, extent, amount, perfection, priority, or enforceability of any of the DIP ABL Obligations, DIP Term Loan Obligations, the DIP ABL Liens, DIP Term Loan Liens, Prepetition ABL Liens, Prepetition Term Loan Liens, Prepetition ABL Obligations, Prepetition Term Loan Obligations or any other rights or interests of any of the DIP ABL Agent, DIP Term Loan Agent, the DIP ABL Secured Parties, the DIP Term Loan Secured Parties, the Prepetition ABL Secured Parties or the Prepetition Term Loan Secured Parties; or (i) seeking to subordinate, recharacterize, disallow or avoid the DIP ABL Obligations, DIP Term Loan Obligations, Prepetition ABL Obligations or Prepetition Term Loan Obligations; *provided, however*, that the Carve Out and such collateral proceeds and loans under the DIP ABL Documents and DIP Term Loan Documents may be used for allowed fees and expenses, in an amount not to exceed $200,000 in the aggregate, incurred solely by the Creditors' Committee, in investigating (but not prosecuting or challenging) the validity, enforceability, perfection, priority or extent of the Prepetition ABL Liens or Prepetition Term Loan Liens (the "Limited Amount"); provided, however, that nothing herein shall be deemed to limit the Debtors or the Creditors' Committee from taking any actions that they deem to be required in the exercise of their fiduciary obligations. Notwithstanding anything to the contrary in this Final Order, nothing herein shall be deemed to (a) limit the ability of the Creditors' Committee's professionals to be paid from

unencumbered assets for services rendered in the investigation or prosecution of claims against the Prepetition ABL Secured Parties or Prepetition Term Loan Secured Parties; (b) preclude the Court from awarding fees and expenses to the Creditors' Committee professionals pursuant to section 330 of the Bankruptcy Code for such services rendered; nor (c) relieve the Debtors or any plan proponent(s) from paying all allowed administrative expenses in connection with confirmation of any plan.

40. Payment of Compensation. Nothing herein shall be construed as a consent to the allowance of any professional fees or expenses of any Professional Person or shall affect the right of the DIP ABL Agent, DIP Term Loan Agent, the DIP ABL Secured Parties, the DIP Term Loan Secured Parties, the Prepetition ABL Secured Parties or the Prepetition Term Loan Secured Parties to object to the allowance and payment of such fees and expenses. So long as an unwaived Event of Default or "Event of Default" (as defined in the DIP ABL Credit Agreement) has not occurred, the Debtors shall be permitted to pay fees and expenses allowed and payable by final order of the Court (that has not been vacated or stayed, unless the stay has been vacated) under sections 328, 330, 331, and 363 of the Bankruptcy Code, as the same may be due and payable, as reflected in the most recent Approved Budget provided by the Debtors to the DIP ABL Agent and DIP Term Loan Agent.

41. Effect of Stipulations on Third Parties.

(i) *Generally*. Except as set forth in this Final Order, upon the expiration of the Challenge Period (as defined below) except and solely to the extent a Challenge or Challenge Motion has been interposed, unless and until such Challenge is overruled, settled, or denied by Final Order of the Court, the admissions, stipulations, agreements, releases, and waivers set forth in this Final Order are and shall be deemed effective and binding in all circumstances and

for all purposes on the Debtors, any subsequent trustee, responsible person, examiner with expanded powers, any other estate representative, and all creditors and parties in interest and all of their successors in interest and assigns, including, without limitation, any chapter 7 or chapter 11 trustee or examiner appoint or elected for any of the Debtors and official committee that may be appointed in these cases (each, a "Challenge Party"), unless, and solely to the extent that the Court rules in favor of the Challenge Party in any such timely and properly filed Challenge (as defined herein); *provided*, *however*, that any releases by the DIP Term Loan Secured Parties and Prepetition Term Loan Secured Parties of the Put Purchasers shall be governed by the Restructuring Support Agreement (as defined in the Plan). For purposes of this paragraph 41: (a) "Challenge" means any claim against any of the Prepetition Term Loan Secured Parties by or on behalf of the Debtors, or to object to or to challenge the stipulations, findings or Debtors' Stipulations set forth herein, including, but not limited to those in relation to: (i) the validity, extent, priority, or perfection of the mortgage, security interests, and liens of any Prepetition Term Loan Secured Party; (ii) the validity, allowability, priority, or amount of the Prepetition Term Loan Obligations; or (iii) any liability of any of the Prepetition Term Loan Secured Parties with respect to anything arising from any of the respective Prepetition Term Loan Documents and the entry into the Put Agreement and Existing Participation Agreement; and (b) "Challenge Period" means sixty (60) days after the entry of the Final ABL Order (or such longer period as the Court orders for cause shown before the expiration of such period or is agreed to by the Prepetition Term Loan Administrative Agent in writing). During the Challenge Period, a Challenge Party shall be entitled to determine whether a basis to assert a Challenge exists. Nothing herein shall be deemed to grant standing in favor of any Challenge Party absent further order of this Court, *provided* that nothing herein shall limit any party in interests rights, if any, to object to any claims pursuant to section

502(a) of the Bankruptcy Code until the expiration of the Challenge Period Termination Date, nor limit the rights of any other parties to contest any such claims asserted pursuant to section 502(a). Notwithstanding anything to the contrary in this Final Order, the Debtors, if timely notified of a potential Challenge (a "Challenge Notice"), shall retain authority to prosecute, settle, or compromise such Challenge in the exercise of their business judgment and subject to any applicable further order of court. Nothing herein shall limit the Creditors' Committee's ability to (x) file a motion in respect of any timely Challenge Notice (a "Challenge Motion"), provided that such Challenge Motion is filed before the Challenge Period Termination Date (or such later date as may be agreed upon among the applicable Debtor(s) and the applicable parties subject to such Challenge Notice) and such Challenge Motion is in respect of a Challenge for which it cannot obtain standing, but meets the standard applicable to pursue such matters for the applicable Debtor(s) derivatively assuming the applicable Debtor were not a limited liability company, and (y) seek pursuant to that Challenge Motion a mechanism by which to prosecute such Challenge described in such Challenge Notice. In the event the Creditors' Committee files a Challenge Motion for which it cannot obtain standing, the expiration of the Challenge Period solely for the specific Challenge set forth in the Challenge Motion shall be tolled pending further order of the Court, and applicable parties shall meet and confer with respect to an appropriate process for the prosecution of any such Challenge.

(ii) *Binding Effect*. Upon the expiration of the Challenge Period (the "Challenge Period Termination Date"), without the filing of a Challenge or Challenge Motion, or, upon the filing of a Challenge or Challenge Motion, a Final Order of the Court overruling, settling, or denying the Challenge: (A) any and all such Challenges and objections by any party (including, without limitation, the Creditors' Committee, any Chapter 11 trustee, and/or any examiner or other

estate representative appointed in these Cases, and any Chapter 7 trustee and/or examiner or other estate representative appointed in any Successor Case), shall be deemed to be forever waived, released and barred, (B) all matters not subject to the Challenge, findings, Debtors' Stipulations, waivers, releases, affirmations and other stipulations as to the priority, extent, and validity as to each Prepetition Term Loan Secured Parties' claims, liens, interests, and validity of the Prepetition Term Loan Obligations shall be of full force and effect and forever binding upon the Debtors, the Debtors' bankruptcy estates and all creditors, interest holders, and other parties in interest in these Cases and any Successor Cases; and (C) any and all claims or causes of action against (i) any of the Prepetition Term Loan Secured Parties shall be forever waived and released by the Debtors' estates, all creditors, interest holders and other parties in interest in these Cases and any Successor Cases.

42. No Third Party Rights/No Superior Rights of Reclamation. 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. Based on the findings and rulings herein concerning the integrated nature of the DIP Term Loan Credit Agreement and the Prepetition Term Loan Credit Facility and the relation back of the DIP Term Loan Liens, in no event shall any alleged right of reclamation or return (whether asserted under Section 546(c) of the Bankruptcy Code or otherwise) be deemed to have priority over the DIP Term Loan Liens.

43. Section 506(c) Claims. The Debtors have waived the right (and the Professional Persons have waived any derivative rights) to charge any expense of administration of the Cases, and Successor Cases, or any future proceeding that may result therefrom, and no costs or expenses of administration which have been or may be incurred in the Cases at any time

shall be charged against the DIP Agents, DIP Lenders, DIP Obligations, the Prepetition Secured Parties, the Prepetition Secured Obligations, or any of their respective claims, the DIP Collateral, or the Prepetition Collateral pursuant to sections 105 or 506(c) of the Bankruptcy Code, or otherwise, without the prior written consent, as applicable, of the DIP Agents, DIP Lenders, and Prepetition Secured Parties, as applicable, and no such consent shall be implied from any other action, inaction, or acquiescence by any such agents or lenders. For the avoidance of doubt, notwithstanding anything to the contrary in the Final ABL Order, this paragraph 43 shall be binding upon, and adhere to the benefit of, the DIP ABL Secured Parties and Prepetition ABL Secured Parties.

44. No Marshaling/Applications of Proceeds. Except as otherwise set forth in paragraph 7, the DIP Term Loan Agent, DIP Term Loan Secured Parties, and Prepetition Term Loan Secured Parties shall not be subject to the equitable doctrine of "marshaling" or any other similar doctrine with respect to any of the DIP Collateral or the Prepetition Collateral, as the case may be, and proceeds shall be received and applied pursuant to this Final Order, including, for the avoidance of doubt, in accordance with paragraph 23 hereof, and the DIP Term Loan Documents notwithstanding any other agreement or provision to the contrary.

45. Section 552(b). The Prepetition Term Loan 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 under section 552(b) of the Bankruptcy Code shall not apply to the Prepetition Term Loan Secured Parties, with respect to proceeds, product, offspring or profits of any of the Prepetition Collateral.

46. Access to DIP Collateral. Without limiting any other rights or remedies of the DIP Term Loan Agent, and subject to and consistent with any applicable rights that a landlord

may have under applicable nonbankruptcy law (except to the extent that such rights are modified by the Court upon a separate motion with notice to the applicable landlords of the leased premises and an opportunity for such landlords to respond and be heard), upon not less than three (3) Business Days' written notice to the landlord of any leased premises that an Event of Default or a Termination Date has occurred and is continuing, the DIP ABL Agent or DIP Term Loan Agent, as applicable, subject to the applicable notice provisions if any, in this Final Order, the Canadian Recognition Orders, and any separate applicable agreement by and between such landlord and the DIP ABL Agent or DIP Term Loan Agent may obtain access to Collateral subject to the following conditions: unless otherwise approved by landlord, (i) any such notice to landlord shall specifically identify any Collateral to be accessed and provide details of any removal actions; (ii) any access or removal actions shall be subject to reasonable rules and restrictions by landlord and shall not unreasonably interfere with the conduct of business at the leased premises; and (iii) any party accessing the leased premises shall pay the rent and operating expenses currently in effect on a per diem basis and such occupancy period shall not extend past 30 days without prior landlord approval, *provided, however*, that nothing in this Final Order shall be deemed to grant the DIP ABL Agent or DIP Term Loan Agent an assignment of the Debtors' rights under the lease or a waiver of any provisions under the lease or applicable non-bankruptcy law relating to notice or foreclosure, all of which are preserved in favor of the landlord and not waived or altered by this Final Order. Nothing herein shall require the DIP ABL Agent or DIP Term Loan Agent to assume any lease as a condition to the rights afforded in this paragraph.

47. Exculpation. Nothing in the Interim Orders, this Final Order, the DIP Term Loan Documents, the existing agreements, or any other documents related to the transactions contemplated hereby shall in any way be construed or interpreted to impose or allow the imposition

upon any DIP Term Loan Secured Party any liability for any claims arising from the postpetition activities of the DIP Parties, including in the operation of their businesses, or in connection with their restructuring efforts and administration of these Cases. In addition, (a) the DIP Term Loan Secured Parties shall not, in any way or manner, be liable or responsible for: (i) the safekeeping of the DIP Collateral, (ii) any loss or damage thereto occurring or arising in any manner or fashion from any cause, (iii) any Diminution in Value thereof, or (iv) any act or default of any carrier, servicer, bailee, custodian, forwarding agency, or other person, and (b) all risk of loss, damage, or destruction of the DIP Collateral shall be borne by the DIP Parties.

48. Limits on Lender Liability. The DIP Term Loan Secured Parties and the Prepetition Term Loan Secured Parties, each in their capacities as such, solely by reason of entering into the DIP Term Loan Credit Facility and taking the actions permitted under the DIP Term Loan Documents, the Interim Orders and this Final Order, shall not be deemed in control of the operations of the Debtors or to be acting as a "responsible person" or "owner or operator" with respect to the operation or management of the Debtors, so long as the DIP Term Loan Secured Parties' other actions do not otherwise constitute, within the meaning of 42 U.S.C. § 9601(20)(F), actual participation in the management or operational affairs of a vessel or facility owned or operated by a Debtor, or otherwise cause liability to arise to the federal or state Government or the status of responsible person or managing agent to exist under applicable law (as such terms, or any similar terms, are used in the Internal Revenue Code, WARN Act, the United States Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§ 9601 *et seq.*, as amended, or any similar federal or state statute).

49. Joint and Several Liability. Nothing in the Interim Orders or this Final Order shall be construed to constitute a substantive consolidation of any of the Debtors' estates, it

being understood, however, that the Borrowers and the DIP Term Loan Guarantors shall be jointly and severally liable for the obligations hereunder and all DIP Term Loan Obligations in accordance with the terms hereof and of the DIP Term Loan Credit Facility and the DIP Term Loan Documents.

50. Rights Preserved. Notwithstanding anything in the Interim Orders or this Final Order to the contrary, the entry of the Interim Orders and this Final Order are without prejudice to, and do not constitute a waiver of, expressly or implicitly: (a) the DIP Term Loan Secured Parties' and Prepetition Term Loan Secured Parties' right to seek any other or supplemental relief in respect of the Debtors; (b) any of the rights of any of the DIP Term Loan Agent, DIP Term Loan Secured Parties and Prepetition Term Loan Secured Parties under the Bankruptcy Code or under non-bankruptcy law, including, without limitation, the right to (i) request modification of the automatic stay of section 362 of the Bankruptcy Code, (ii) request dismissal of any of the Cases or Successor Cases, conversion of any of the Cases to cases under Chapter 7, or appointment of a Chapter 11 trustee or examiner with expanded powers, or (iii) propose, subject to the provisions of section 1121 of the Bankruptcy Code, a Chapter 11 plan or plans; or (c) subject to the DIP Intercreditor Agreement, any other rights, claims or privileges (whether legal, equitable or otherwise) of any of the DIP Term Loan Secured Parties, or Prepetition Term Loan Secured Parties. Notwithstanding anything herein to the contrary, the entry of this Final Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly, the Debtors', the Creditors' Committee's, or any party in interest's right to oppose any of the relief requested in accordance with the immediately preceding sentence except as expressly set forth in this Final Order.

51. No Waiver by Failure to Seek Relief. The failure of the DIP Term Loan Secured Parties, or Prepetition Term Loan Secured Parties to seek relief or otherwise exercise their

rights and remedies under this Final Order, the DIP Term Loan Documents, the Prepetition Term Loan Documents, or applicable law, as the case may be, shall not constitute a waiver of any of the rights hereunder, thereunder, or otherwise of the DIP Term Loan Secured Parties, Prepetition Term Loan Secured Parties, Creditors' Committee, or any party in interest.

52. Binding Effect of Interim Orders and Final Order. Immediately upon execution by this Court, the terms and provisions of the Interim Orders became valid and binding and the terms and provisions of this Final Order shall become valid and binding (in which any conflict shall be construed in favor of this Final Order) upon and inure to the benefit of the Debtors, DIP ABL Agent, DIP Term Loan Agent, DIP ABL Secured Parties, DIP Term Loan Secured Parties, the DIP ABL Obligations, the DIP Term Loan Obligations, the Prepetition ABL Secured Parties, the Prepetition ABL Obligations, Prepetition Term Loan Secured Parties, the Prepetition Term Loan Secured Obligations, all other creditors of any of the Debtors, the Creditors' Committee (or any other court appointed committee) appointed in the Cases, and all other parties-in-interest and their respective successors and assigns, including any trustee or other fiduciary hereafter appointed in any of the Cases, any Successor Cases, or upon dismissal of any Case or Successor Case.

53. No Modification of Final Order. Until and unless the DIP Term Loan Obligations and the Prepetition Term Loan Obligations have been indefeasibly paid in full in cash, and all commitments to extend credit under the DIP Term Loan Credit Facility have been terminated, the Debtors irrevocably waive the right to seek and shall not seek or consent to, directly or indirectly: (a) without the prior written consent of the DIP Term Loan Secured Parties (or the Prepetition Term Loan Administrative Agent acting at the direction of the "Required Lenders" (as defined in the Prepetition Term Loan Credit Agreement)), (i) any material modification, stay, vacatur or amendment to this Final Order; or (ii) a priority claim for any administrative expense

or unsecured claim against the Debtors (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), 507(a), or 507(b) of the Bankruptcy Code) in any of the Cases or Successor Cases, equal or superior to the DIP Term Loan Superpriority Claims or Prepetition Term Loan Superpriority Claims, other than the Carve Out; (b) without the prior written consent of the DIP Term Loan Agent (or the Prepetition Term Loan Administrative Agent acting at the direction of the "Required Lenders" (as defined in the Prepetition Term Loan Credit Agreement)) any order allowing use of Cash Collateral (other than as permitted during the Remedies Notice Period) resulting from DIP Collateral or Prepetition Collateral; (c) without the prior written consent of the DIP Term Loan Agent, any lien on any of the DIP Collateral with priority equal or superior to the DIP Term Loan Liens, except as specifically provided in the DIP Term Loan Documents; or (d) without the prior written consent of the Prepetition Term Loan Administrative Agent (acting at the direction of the "Required Lenders" (as defined in the Prepetition Term Loan Credit Agreement)), any lien on any of the DIP Collateral with priority equal or superior to the Prepetition Term Loan Liens or Prepetition Term Loan Adequate Protection Liens, except as specifically provided in the DIP Term Loan Documents. The Debtors irrevocably waive any right to seek any amendment, modification or extension of this Final Order without the prior written consent, as provided in the foregoing, of the DIP Term Loan Agent (or the Prepetition Term Loan Administrative Agent (acting at the direction of the "Required Lenders" as defined in the Prepetition Term Loan Credit Agreement)), and no such consent shall be implied by any other action, inaction or acquiescence of the DIP Term Loan Agent or the Prepetition Term Loan Administrative Agent.

54. Continuing Effect of DIP Intercreditor Agreement. The Debtors, DIP ABL Agent, DIP Term Loan Agent, DIP ABL Secured Parties, DIP Term Loan Secured Parties, Prepetition ABL Secured Parties and Prepetition Term Loan Secured Parties each shall be bound by, and in all respects of the DIP ABL Credit Facility and DIP Term Loan Credit Facility shall be governed by, and be subject to all the terms, provisions, and restrictions of the DIP Intercreditor Agreement, except as may be expressly modified by this Final Order.

55. Final Order Controls. In the event of any inconsistency between the terms and conditions of the Interim Orders and of this Final Order or the DIP Term Loan Documents and of this Final Order, the provisions of this Final Order shall govern and control. In the event of any inconsistency between the terms and conditions of any other order regarding any postpetition financing or use of cash collateral, the provisions of this Final Order shall govern and control to the extent such terms and conditions relate to the (i) Prepetition Term Loan Credit Facility, Prepetition Term Loan Secured Parties, Prepetition Term Loan Obligations, Prepetition Term Loan Documents, Prepetition Collateral, Prepetition Term Loan Liens, Prepetition Term Loan Priority Collateral, Prepetition Term Loan Superpriority Claims, Prepetition Term Loan Adequate Protection Payments, Prepetition Term Loan Adequate Protection Liens, DIP Term Loan Credit Facility, DIP Term Loan Secured Parties, DIP Term Loan Obligations, DIP Term Loan Documents, DIP Term Loan Collateral, DIP Term Loan Liens, DIP Term Loan Priority Collateral, or DIP Term Loan Superpriority Claims, and (ii) the Prepetition ABL Secured Parties and DIP ABL Secured Parties but only with respect to the waiver of 506(c) as set forth in this Final Order. Notwithstanding anything to the contrary in the Interim Orders, upon entry of this Final Order, any modifications by the Interim Orders to the DIP Term Loan Documents shall be superseded by this Final Order and such modifications shall no longer have any effect.

56. Discharge. The DIP Term Loan Obligations and the obligations of the Debtors with respect to the adequate protection provided herein shall not be discharged by the entry of an order confirming any plan of reorganization in any of the Cases, notwithstanding the provisions of section 1141(d) of the Bankruptcy Code, unless such obligations have been indefeasibly paid in full in cash, on or before the effective date of such confirmed plan of reorganization, or each of the DIP Term Loan Agent, DIP Term Loan Secured Parties and Prepetition Term Loan Administrative Agent, as applicable, has otherwise agreed in writing. None of the Debtors shall propose or support any plan of reorganization or sale of all or substantially all of the Debtors' assets, or order confirming such plan or approving such sale, that is not conditioned upon the indefeasible payment of the DIP Term Loan Obligations, and the payment of the Debtors' obligations with respect to the adequate protection provided for herein, in full in cash within a commercially reasonable period of time (and in no event later than the effective date of such plan of reorganization or sale) (a "Prohibited Plan or Sale") without the written consent of the DIP Term Loan Agent and the Prepetition Term Loan Administrative Agent, as applicable. For the avoidance of doubt, the Debtors' proposal or support of a Prohibited Plan or Sale, or the entry of an order with respect thereto, shall constitute an Event of Default hereunder and under the DIP Term Loan Documents.

57. Survival. The provisions of the Interim Orders, this Final Order, and any actions taken pursuant thereto and hereto shall survive entry of any order which may be entered: (a) confirming any plan of reorganization in any of the Cases; (b) converting any of the Cases to a case under Chapter 7 of the Bankruptcy Code; (c) dismissing any of the Cases or any Successor Cases; or (d) pursuant to which this Court abstains from hearing any of the Cases or Successor Cases. The terms and provisions of the Interim Orders and this Final Order, including the claims,

liens, security interests, and other protections granted to the DIP Term Loan Agent, DIP Term Loan Secured Parties, and the Prepetition Term Loan Secured Parties granted pursuant to the Interim Orders, this Final Order and/or the DIP Term Loan Documents, shall continue in the Cases, in any Successor Cases, or following dismissal of the Cases or any Successor Cases, and shall maintain their priority as provided by the Interim Orders and this Final Order until: (i) in respect of the DIP Term Loan Credit Facility, all the DIP Term Loan Obligations, pursuant to the DIP Term Loan Documents, the Interim Orders and this Final Order, have been indefeasibly paid in full in cash or otherwise satisfied to the satisfaction of the DIP Term Loan Secured Parties; and (ii) in respect of the Prepetition Term Loan Credit Agreement, all of the Prepetition Term Loan Obligations pursuant to the Prepetition Term Loan Documents, the Interim Orders and this Final Order have been indefeasibly paid in full in cash or otherwise satisfied to the satisfaction of the Prepetition Term Loan Secured Parties. The terms and provisions concerning the indemnification of the DIP Term Loan Agent and DIP Term Loan Secured Parties shall continue in the Cases, in any Successor Cases, following dismissal of the Cases or any Successor Cases, following termination of the DIP Term Loan Documents and/or the indefeasible repayment of the DIP Term Loan Obligations.

58. Dallas County, Texas Ad Valorem Taxes. Notwithstanding any other provisions of this Final Order, any valid liens currently held by Dallas County shall neither be primed by nor subordinated to any liens granted hereby. Subject to further order of this Court, up to a maximum of $380,000 of proceeds of the sales of assets located in the state of Texas that are subject to a lien held by Dallas County shall be deposited in a segregated account as adequate protection for the secured claims of Dallas County prior to the distribution of any such proceeds to any other creditor; *provided* that the segregated amount shall be reduced if the actual or estimated taxes are less than $380,000 at the time of any such sale; and provided further that such

amount up to $380,000 shall be funded first from DIP Term Priority Collateral located in the state of Texas. Any valid liens of Dallas County shall attach to these proceeds to the same extent and with the same priority as such liens currently attach to the applicable property of the Debtors. These funds shall be in the nature of adequate protection and shall constitute neither the allowance of the claims of Dallas County, nor a cap on the amounts it may be entitled to receive. The claims and liens of Dallas County shall remain subject to any objections made by any party (including the Debtors) who would otherwise be entitled to raise any objection as to, among other things, the claim amount or the priority, validity, or extent of such liens. These segregated proceeds may be distributed upon agreement among Dallas County, the Debtors, the DIP ABL Secured Parties and the DIP Term Loan Secured Parties, or upon order of the Court with notice to Dallas County. Nothing in this Final Order shall be deemed an admission as to the validity of any claim of Dallas County against a Debtor entity.

59. Canadian Intercompany Superpriority Administrative Claims. The Canadian Intercompany Superpriority Administrative Claims shall be subject to the Carve Out and shall otherwise be junior only to: (a) with respect to the DIP ABL Priority Collateral (1) Permitted Prior Liens; (2) the DIP ABL Liens; (3) the Prepetition ABL Liens; and (4) the Prepetition ABL Adequate Protection Liens; and (b) with respect to the DIP Term Loan Priority Collateral (1) Permitted Prior Liens; (2) the DIP Term Loan Liens; (3) the Prepetition Term Loan Liens; (4) the Prepetition Term Loan Adequate Protection Liens; (5) the DIP ABL Liens; (6) the Prepetition ABL Liens; and (7) the Prepetition ABL Adequate Protection Liens; and shall otherwise be senior to all other security interests in, liens on, or claims against any of the Debtors' assets.

60. Necessary Action. The Debtors are authorized to take any and all such actions as are necessary or appropriate to implement the terms of the Interim Orders and this Final Order.

61. Bankruptcy Rules. The requirements of Bankruptcy Rules 4001, 6003, and 6004, in each case to the extent applicable, are satisfied by the contents of the DIP Motion.

62. Nunc Pro Tunc Effect of this Final Order. This Final Order shall constitute findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052 and shall take effect and be enforceable *nunc pro tunc* to the Petition Date immediately upon execution hereof.

63. Notwithstanding Bankruptcy Rules 4001(a)(3), 6004(h), 6006(d), 7062, or 9014 of the Bankruptcy Rules, or any local bankruptcy rules, or Rule 62(a) of the Federal Rules of Civil Procedure, this Final Order shall be immediately effective and enforceable upon its entry and there shall be no stay of execution or effectiveness of this Final Order.

64. The Debtors shall within two (2) business days of its entry serve copies of this Final Order to the parties having been given notice of the Final Hearing and to any party that has filed a request for notices with this Court.

Dated: New York, New York
July 19, 2019

/s/ Michael E. Wiles
THE HONORABLE MICHAEL E. WILES
UNITED STATES BANKRUPTCY JUDGE

Exhibit A

Budget

DREAM II HOLDINGS
CASH FORECAST - WEEKLY

CONSOLIDATED - USD		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast		
Week #	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17		18
Week Start Date	**5/13/19**	**5/20/19**	**5/27/19**	**6/3/19**	**6/10/19**	**6/17/19**	**6/24/19**	**7/1/19**	**7/8/19**	**7/15/19**	**7/22/19**	**7/29/19**	**8/5/19**	**8/12/19**	**8/19/19**	**8/26/19**	**9/2/19**	**9/9/19**	**TOTAL**	**9/16/19**
Week End Date	**5/17/19**	**5/24/19**	**5/31/19**	**6/7/19**	**6/14/19**	**6/21/19**	**6/28/19**	**7/5/19**	**7/12/19**	**7/19/19**	**7/26/19**	**8/2/19**	**8/9/19**	**8/16/19**	**8/23/19**	**8/30/19**	**9/6/19**	**9/13/19**	**17 WEEKS**	**9/20/19**
RECEIPTS:																				
Customer Accounts Receivable Collection		$ 6,395	$ 6,880	$ 11,360	$ 8,271	$ 7,448	$ 7,135	$ 6,826	$ 7,901	$ 8,575	$ 9,462	$ 7,968	$ 8,026	$ 11,789	$ 10,999	$ 9,328	$ 9,611	$ 9,598	**$ 147,573**	
TOTAL CASH RECEIPTS	**$ -**	**$ 6,395**	**$ 6,880**	**$ 11,360**	**$ 8,271**	**$ 7,448**	**$ 7,135**	**$ 6,826**	**$ 7,901**	**$ 8,575**	**$ 9,462**	**$ 7,968**	**$ 8,026**	**$ 11,789**	**$ 10,999**	**$ 9,328**	**$ 9,611**	**$ 9,598**	**$ 147,573**	
DISBURSEMENTS:																				
Material Purchases																				
Material Purchases		$ 2,293	$ 2,503	$ 4,034	$ 7,069	$ 10,331	$ 6,377	$ 2,460	$ 5,251	$ 4,300	$ 5,148	$ 5,142	$ 4,231	$ 4,104	$ 4,312	$ 4,721	$ 3,192	$ 5,105	**$ 80,574**	
Critical Vendor Payments		913	97	363	1,078	500	340	309	340	-	148	250	-	-	-	-	-	-	**4,338**	
503(b)(9) Payments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	$ 5,081
Material Purchases Subtotal	**$ -**	**$ 3,207**	**$ 2,600**	**$ 4,397**	**$ 8,147**	**$ 10,831**	**$ 6,717**	**$ 2,769**	**$ 5,591**	**$ 4,300**	**$ 5,296**	**$ 5,392**	**$ 4,231**	**$ 4,104**	**$ 4,312**	**$ 4,721**	**$ 3,192**	**$ 5,105**	**$ 84,912**	
Other A/P																				
Other A/P		$ 419	$ 766	$ 570	$ 1,164	$ 1,530	$ 2,228	$ 778	$ 1,174	$ 2,327	$ 2,685	$ 2,685	$ 2,685	$ 2,685	$ 1,935	$ 1,935	$ 1,935	$ 4,935	**$ 32,433**	
Pre-Closing Plant Consolidation Initiatives		-	-	-	-	-	-	-	-	35	60	64	66	103	431	64	40	247	**1,111**	
IT Migration & Plant Equipment Deposits		-	-	-	-	-	-	-	-	-	233	192	-	-	-	-	-	-	425	
Utility Deposits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	
Contingency/Cure Payments		-	-	-	-	-	-	-	-	-	83	-	83	-	-	-	83	-	**250**	$ 2,000
Other A/P Subtotal	**$ -**	**$ 419**	**$ 766**	**$ 570**	**$ 1,164**	**$ 1,530**	**$ 2,228**	**$ 778**	**$ 1,174**	**$ 2,363**	**$ 3,061**	**$ 2,940**	**$ 2,834**	**$ 2,788**	**$ 2,366**	**$ 1,999**	**$ 2,058**	**$ 5,181**	**$ 34,219**	
Rent																				
Current Rent		$ 129	$ -	$ 929	$ 292	$ -	$ (0)	$ 1,272	$ -	$ -	$ -	$ 1,471	$ -	$ -	$ -	$ -	$ 1,471	$ -	**$ 5,565**	
Stub & Cure Rent		-	-	-	-	342	91	-	-	-	-	-	-	-	-	-	-	-	**433**	745
Rent Sub-Total	**$ -**	**$ 129**	**$ -**	**$ 929**	**$ 292**	**$ 342**	**$ 91**	**$ 1,272**	**$ -**	**$ -**	**$ -**	**$ 1,471**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,471**	**$ -**	**$ 5,998**	
Royalty																				
Royalty Payments		$ -	$ -	$ -	$ 1,595		$ -	$ -	$ 1,595	$ -	$ 84	$ 809	$ -	$ 84	$ -	$ -	$ -	$ 1,070	**$ 5,238**	
Royalty Sub-Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,595**	**$ -**	**$ -**	**$ -**	**$ 1,595**	**$ -**	**$ 84**	**$ 809**	**$ -**	**$ 84**	**$ -**	**$ -**	**$ -**	**$ 1,070**	**$ 5,238**	
Payroll																				
Ordinary Course Payroll		$ 1,150	$ 1,868	$ 1,243	$ 1,896	$ 1,117	$ 1,882	$ 1,201	$ 1,825	$ 1,243	$ 1,890	$ 1,243	$ 1,890	$ 1,243	$ 1,890	$ 1,243	$ 1,890	$ 1,243	**$ 25,957**	
Severance Payments		7	27	4	23	3	-	-	-	-	-	-	-	-	-	-	-	-	**64**	
Board Fees		-	-	8	-	-	-	8	-	-	-	8	-	-	-	-	8	-	**33**	
KEIP / KERP		-	-	-	-	-	-	-	-	-	-	-	-	-	125	125	125	125	**500**	
Payroll Sub-Total	**$ -**	**$ 1,156**	**$ 1,894**	**$ 1,255**	**$ 1,919**	**$ 1,120**	**$ 1,882**	**$ 1,210**	**$ 1,825**	**$ 1,243**	**$ 1,890**	**$ 1,251**	**$ 1,890**	**$ 1,243**	**$ 2,015**	**$ 1,368**	**$ 2,023**	**$ 1,368**	**$ 26,554**	
Restructuring Costs										$ 119	$ 994	$ 2,330	$ 469	$ 1,105	$ 927	$ 384	$ -	$ 6,047		
Restructuring Costs		$ -	$ 1,580	$ -	$ -	$ 182	$ 404	$ 585	$ 435										**$ 3,187**	$ 1,500
D&O Tail		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	150	**150**	
Restructuring Costs Sub-Total	**$ -**	**$ -**	**$ 1,580**	**$ -**	**$ -**	**$ 182**	**$ 404**	**$ 585**	**$ 435**	**$ 119**	**$ 994**	**$ 2,330**	**$ 469**	**$ 1,105**	**$ 927**	**$ 384**	**$ -**	**$ 6,197**	**$ 15,711**	
Interest & Financing Payments																				
Pre-Petition ABL Interest		$ -	$ -	$ -	$ -	$ -	$ -	$ 247	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 247**	
ABL DIP Interest & Fees		1,350	8	-	-	-	(1)	290	-	-	-	311	-	-	-	-	311	128	**2,398**	
Term DIP Interest & Fees		825	-	-	-	-	148	-	-	-	-	151	-	-	-	1,500	169	71	**2,864**	
Interest Payments Sub-Total	**$ -**	**$ 2,175**	**$ 8**	**$ -**	**$ -**	**$ -**	**$ 147**	**$ 537**	**$ -**	**$ -**	**$ -**	**$ 462**	**$ -**	**$ -**	**$ -**	**$ 1,500**	**$ 480**	**$ 199**	**$ 5,509**	
TOTAL DISBURSEMENTS	**$ -**	**$ 7,086**	**$ 6,849**	**$ 7,153**	**$ 13,117**	**$ 14,005**	**$ 11,469**	**$ 7,151**	**$ 10,620**	**$ 8,025**	**$ 11,324**	**$ 14,657**	**$ 9,423**	**$ 9,324**	**$ 9,620**	**$ 9,972**	**$ 9,226**	**$ 19,121**	**$ 178,142**	
TOTAL NET OPERATING CASH FLOW	**$ -**	**$ (691)**	**$ 31**	**$ 4,208**	**$ (4,846)**	**$ (6,557)**	**$ (4,333)**	**$ (325)**	**$ (2,720)**	**$ 550**	**$ (1,863)**	**$ (6,689)**	**$ (1,397)**	**$ 2,465**	**$ 1,379**	**$ (643)**	**$ 386**	**$ (9,523)**	**$ (30,569)**	

DREAM II HOLDINGS
CASH FORECAST - WEEKLY

CONSOLIDATED - USD		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast		
Week #	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17		18
Week Start Date	**5/13/19**	**5/20/19**	**5/27/19**	**6/3/19**	**6/10/19**	**6/17/19**	**6/24/19**	**7/1/19**	**7/8/19**	**7/15/19**	**7/22/19**	**7/29/19**	**8/5/19**	**8/12/19**	**8/19/19**	**8/26/19**	**9/2/19**	**9/9/19**	**TOTAL**	**9/16/19**
Week End Date	**5/17/19**	**5/24/19**	**5/31/19**	**6/7/19**	**6/14/19**	**6/21/19**	**6/28/19**	**7/5/19**	**7/12/19**	**7/19/19**	**7/26/19**	**8/2/19**	**8/9/19**	**8/16/19**	**8/23/19**	**8/30/19**	**9/6/19**	**9/13/19**	**17 WEEKS**	**9/20/19**
CASH BALANCE & AVAILABILITY																				
Operating Cash Balance																				
Beginning Cash Balance		523	472	516	736	643	738	850	890	698	698	698	698	698	698	698	698	698	**523**	
Net Operating Cash Flow		(691)	31	4,208	(4,846)	(6,557)	(4,333)	(325)	(2,720)	550	(1,863)	(6,689)	(1,397)	2,465	1,379	(643)	386	(9,523)	**(30,569)**	
Term DIP Cash Disbursement		825	3,000	-	-	300	8,000	2,500	1,050	1,350	-	2,207	744	-	879	1,145	-	6,000	**28,000**	
ABL Draw/(Repayment) / Timing		(186)	(2,986)	(3,988)	4,753	6,352	(3,554)	(2,135)	1,478	(1,900)	1,863	4,482	653	(2,465)	(2,258)	(501)	(386)	3,523	**2,744**	
Net Operating Cash On Hand		**472**	**516**	**736**	**643**	**738**	**850**	**890**	**698**	**698**	**698**	**698**	**698**	**698**	**698**	**698**	**698**	**698**	**698**	
Term DIP Cash Balance																				
Beginning Balance		15,000	14,175	11,175	11,175	11,175	10,875	2,875	375	2,525	1,175	4,975	2,768	2,024	2,024	1,145	-	-	**-**	
Term DIP Draws	15,000	-	-	-	-	-	-	-	3,200	-	3,800	-	-	-	-	-	-	6,000	**28,000**	
Disbursements		(825)	(3,000)	-	-	(300)	(8,000)	(2,500)	(1,050)	(1,350)	-	(2,207)	(744)	-	(879)	(1,145)	-	(6,000)	**(28,000)**	
Term DIP Cash Ending Balance	**15,000**	**14,175**	**11,175**	**11,175**	**11,175**	**10,875**	**2,875**	**375**	**2,525**	**1,175**	**4,975**	**2,768**	**2,024**	**2,024**	**1,145**	**-**	**-**	**-**	**-**	
Total Cash Balance		**14,647**	**11,692**	**11,912**	**11,819**	**11,613**	**3,726**	**1,265**	**3,223**	**1,873**	**5,673**	**3,466**	**2,722**	**2,722**	**1,843**	**698**	**698**	**698**	**698**	
Professional Fees Carve Out Balance																				
Beginning Balance		-	2,608	3,626	3,860	4,342	5,017	5,366	5,257	5,717	6,310	6,728	6,213	6,417	5,885	5,530	5,719	6,012	**-**	
Funding/Disbursement		2,608	1,019	233	483	675	349	(109)	460	593	418	(515)	204	(532)	(355)	189	293	(6,012)	**-**	
Professional Fees Carve Out Ending Balance		**2,608**	**3,626**	**3,860**	**4,342**	**5,017**	**5,366**	**5,257**	**5,717**	**6,310**	**6,728**	**6,213**	**6,417**	**5,885**	**5,530**	**5,719**	**6,012**	**-**	**-**	
ABL Availability																				
ABL Total Borrowing Base After Reserves		66,671	70,449	70,682	66,158	64,072	63,182	62,858	64,417	64,856	64,434	64,570	65,427	62,762	60,566	60,346	59,437	58,249	**58,249**	
ABL Balance		(45,104)	(42,219)	(37,800)	(42,188)	(47,864)	(44,676)	(41,715)	(43,932)	(42,032)	(43,895)	(48,377)	(49,030)	(46,565)	(44,306)	(43,805)	(43,419)	(46,943)	**(46,943)**	
L/C Balance		(5,136)	(5,136)	(5,136)	(5,136)	(5,136)	(5,136)	(5,136)	(5,136)	(4,980)	(4,980)	(4,980)	(4,980)	(4,980)	(4,980)	(4,980)	(4,980)	(4,980)	**(4,980)**	
Professional Fee Carve Out (Week Delay)		(2,608)	(3,626)	(3,860)	(4,342)	(5,017)	(5,366)	(5,257)	(5,717)	(6,310)	(6,728)	(6,213)	(6,417)	(5,885)	(5,530)	(5,719)	(6,012)	-	**-**	
Total Availability		**13,823**	**19,467**	**23,886**	**14,492**	**6,055**	**8,003**	**10,750**	**9,632**	**11,534**	**8,832**	**5,000**	**5,000**	**5,333**	**5,750**	**5,842**	**5,025**	**6,327**	**6,327**	
Net Cash on Hand + Availability		**28,469**	**31,159**	**35,798**	**26,310**	**17,668**	**11,728**	**12,015**	**12,855**	**13,407**	**14,505**	**8,466**	**7,722**	**8,055**	**7,593**	**6,539**	**5,723**	**7,024**	**7,024**	
Pre-Petition ABL Balance																				
Pre-Petition ABL Beginning Balance	61,648	46,648	39,654	33,291	22,116	13,503	6,125	756	-	-	-	-	-	-	-	-	-	-	$ **61,648**	
Draws	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	
Repayments	-	(6,993)	(6,363)	(11,176)	(8,613)	(7,378)	(5,369)	(756)	-	-	-	-	-	-	-	-	-	-	**(46,648)**	
Balance Transfer	(15,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**(15,000)**	
Pre-Petition ABL Ending Balance	**46,648**	**39,654**	**33,291**	**22,116**	**13,503**	**6,125**	**756**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
ABL DIP Balance																				
ABL DIP Beginning Balance	-	-	5,450	8,928	15,685	28,685	41,738	43,920	41,715	43,932	42,032	43,895	48,377	49,030	46,565	44,306	43,805	43,419	$ **-**	
Draws	-	5,450	3,478	6,757	13,000	13,053	3,421	3,937	10,151	6,675	11,324	12,450	8,680	9,324	8,741	8,827	9,226	13,121	**147,614**	
Repayments	-	-	-	-	-	-	(1,239)	(6,143)	(7,934)	(8,575)	(9,462)	(7,968)	(8,026)	(11,789)	(10,999)	(9,328)	(9,611)	(9,598)	**(100,672)**	
ABL DIP Ending Balance	**-**	**5,450**	**8,928**	**15,685**	**28,685**	**41,738**	**43,920**	**41,715**	**43,932**	**42,032**	**43,895**	**48,377**	**49,030**	**46,565**	**44,306**	**43,805**	**43,419**	**46,943**	**46,943**	
Total Wells ABL/ABL DIP Balance	**46,648**	**45,104**	**42,219**	**37,800**	**42,188**	**47,864**	**44,676**	**41,715**	**43,932**	**42,032**	**43,895**	**48,377**	**49,030**	**46,565**	**44,306**	**43,805**	**43,419**	**46,943**	**46,943**	
Term DIP Balance																				
DIP Beginning Balance	-	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	18,200	18,200	22,000	22,000	22,000	22,000	22,000	22,000	22,000	$ **-**	
Draws	15,000	-	-	-	-	-	-	-	3,200	-	3,800	-	-	-	-	-	-	6,000	**28,000**	
Repayments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	
DIP Ending Balance	**15,000**	**15,000**	**15,000**	**15,000**	**15,000**	**15,000**	**15,000**	**15,000**	**18,200**	**18,200**	**22,000**	**22,000**	**22,000**	**22,000**	**22,000**	**22,000**	**22,000**	**28,000**	**28,000**	
Sentinel ABL																				
Sentinel ABL Beginning Balance	-	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	$ **-**	
Balance Transfer	15,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**15,000**	
Sentinel ABL Ending Balance	**15,000**	**15,000**	**15,000**	**15,000**	**15,000**	**15,000**	**15,000**	**15,000**	**15,000**	**15,000**	**15,000**	**15,000**	**15,000**	**15,000**	**15,000**	**15,000**	**15,000**	**15,000**	**15,000**	

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. C-36, AS AMENDED

Court File No: CV-19-620484-00CL

AND IN THE MATTER OF HOLLANDER SLEEP PRODUCTS LLC, HOLLANDER SLEEP PRODUCTS CANADA LIMITED, DREAM II HOLDINGS, LLC, HOLLANDER HOME FASHIONS HOLDINGS, LLC, PACIFIC COAST FEATHER, LLC, HOLLANDER SLEEP PRODUCTS KENTUCKY, LLC, AND PACIFIC COAST FEATHER CUSHION, LLC

APPLICATION OF HOLLANDER SLEEP PRODUCTS LLC UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

Ontario
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

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Lawyers for the Applicant

Matter No: 1200852

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. C-36, AS AMENDED

Court File No: CV-19-620484-00CL

AND IN THE MATTER OF HOLLANDER SLEEP PRODUCTS LLC, HOLLANDER SLEEP PRODUCTS CANADA LIMITED, DREAM II HOLDINGS, LLC, HOLLANDER HOME FASHIONS HOLDINGS, LLC, PACIFIC COAST FEATHER, LLC, HOLLANDER SLEEP PRODUCTS KENTUCKY, LLC, AND PACIFIC COAST FEATHER CUSHION, LLC

APPLICATION OF HOLLANDER SLEEP PRODUCTS LLC UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

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MOTION RECORD

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