

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

In re:)	Chapter 11
)	
BCBG MAX AZRIA GLOBAL HOLDINGS, LLC, <i>et al.</i> , ¹)	Case No. 17-10466 (SCC)
)	(Jointly Administered)
Debtors.)	
)	Ref. Docket Nos. 22 and 69

**FINAL ORDER (I) AUTHORIZING POSTPETITION FINANCING,
(II) AUTHORIZING USE OF CASH COLLATERAL, (III) GRANTING
LIENS AND PROVIDING SUPERPRIORITY ADMINISTRATIVE
EXPENSE STATUS, (IV) GRANTING ADEQUATE PROTECTION,
(V) MODIFYING AUTOMATIC STAY, AND (VI) GRANTING RELATED RELIEF**

Upon the motion, dated March 1, 2017 (the “DIP Motion”) of BCBG Max Azria Group, LLC (the “Borrower”) and BCBG Max Azria Intermediate Holdings, LLC, MLA Multibrand Holdings, LLC and Max Rave, LLC (collectively, the “Guarantors”), each as a debtor and debtor in possession (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)(1), 364(c)(2), 364(c)(3), 364(d), 364(e), and 507 of chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”), Rules 2002, 4001, 6004, and 9014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Rule 4001-2 of the Local Rules for the United States Bankruptcy Court for the Southern District of New York (the “Local Rules”),

inter alia:

- (i) authorizing the Debtors to obtain senior secured postpetition financing on a

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include: BCBG Max Azria Global Holdings, LLC (6857); BCBG Max Azria Group, LLC (5942); BCBG Max Azria Intermediate Holdings, LLC (3673); Max Rave, LLC (9200); and MLA Multibrand Holdings, LLC (3854). The location of the Debtors’ service address is: 2761 Fruitland Avenue, Vernon, California 90058.

superpriority basis (the “DIP ABL Credit Facilities,” consisting of a senior secured superpriority revolving credit facility in the aggregate principal amount of up to \$75,000,000 (the “DIP Revolving Credit Facility”) and a senior secured superpriority first in, last out revolving credit facility in the aggregate principal amount of up to \$2,500,000 (the “DIP FILO Revolving Credit Facility”), and the loans under the DIP ABL Credit Facilities, the “DIP ABL Loans”) pursuant to the terms and conditions of that certain ABL Secured Super Priority Debtor-in-Possession Credit Facility, (as the same may be amended, restated, supplemented, or otherwise modified from time to time, the “DIP ABL Agreement”), by and among the Borrower, the Guarantors, Bank of America, N.A., as administrative agent (the “DIP ABL Agent”), for and on behalf of itself and the other lenders party thereto (collectively, including the DIP ABL Agent, the “DIP ABL Lenders”), and each of Bank of America, N.A. and Wells Fargo Bank, N.A. as co-collateral agents (in such capacities, collectively, the “DIP ABL Co-Collateral Agents”), substantially in the form of **Exhibit C**, attached to the DIP Motion;

(ii) authorizing the Debtors to execute and deliver the DIP ABL Agreement and any other agreements and documents related thereto (collectively with the DIP ABL Agreement, the “DIP ABL Documents”) and to perform such other acts as may be necessary or desirable in connection with the DIP ABL Documents;

(iii) granting the DIP ABL Credit Facilities and all obligations owing thereunder and under the DIP ABL Documents to the DIP ABL Agent and DIP ABL Lenders (collectively, and including all “Obligations” as described in the DIP ABL Agreement, the “DIP ABL Obligations”) allowed superpriority administrative expense claim status in each of the Cases and any Successor Cases (as defined herein);

(iv) authorizing the Debtors to obtain senior secured postpetition financing on a

superpriority basis in the aggregate principal amount of up to \$80,000,000 (the “DIP Term Loan Facility,” and the loans thereunder, the “DIP Term Loans,” and the DIP Term Loan Facility together with the DIP ABL Credit Facilities, the “DIP Facilities”) pursuant to the terms and conditions of that certain Debtor-in-Possession Term Loan Credit and Guarantee Agreement (as the same may be amended, restated, supplemented, or otherwise modified from time to time, the “DIP Term Loan Agreement,” and together with the DIP ABL Agreement, the “DIP Agreements”), by and among the Borrower, the Guarantors, and Guggenheim Corporate Funding, LLC as administrative agent and collateral agent (the “DIP Term Loan Agent,” and, together with the DIP ABL Agent, the “DIP Agents”) for and on behalf of itself and the other lenders party thereto (collectively, including the DIP Term Loan Agent, the “DIP Term Loan Lenders,” and, together with the DIP ABL Lenders, the “DIP Lenders”), substantially in the form of **Exhibit D**, attached to the DIP Motion;²

(v) authorizing the Debtors to execute and deliver the DIP Term Loan Agreement and any other agreements and documents related thereto (collectively with the DIP Term Loan Agreement, the “DIP Term Loan Documents,” and together with the DIP ABL Documents, the “DIP Documents”), by and among the Borrower, the Guarantors, the DIP Term Loan Agent and the DIP Term Loan Collateral Agent, and to perform such other acts as may be necessary or desirable in connection with the DIP Term Loan Documents;

(vi) granting the DIP Term Loan 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 “DIP Term Loan Obligations” as described in the DIP Term Loan

² All “Existing Tranche A Loans” (as defined in the Prepetition Term Loan Agreement referred to below) in the principal amount of \$35 million and all accrued and unpaid interest thereon through the date hereof were fully-rolled on the date of the Interim Order into the DIP Term Loan Facility and shall constitute Term Loan DIP Obligations hereunder (such rolled-up portion, the “Roll-Up Term Loan DIP Obligations”). The holders of the Roll-Up Term Loan DIP Obligations shall be referred to herein as the “Roll-Up Lenders”.

Agreement, the “DIP Term Loan Obligations,” and together with the DIP ABL Obligations, the “DIP Obligations”) allowed superpriority administrative expense claim status in each of the Cases and any Successor Cases (as defined herein);

(vii) granting to the DIP Agents, for the benefit of themselves and the DIP Lenders, automatically perfected security interests in and liens on all of the DIP Collateral (as defined herein), 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 priorities set forth herein;

(viii) authorizing and directing the Debtors to pay the principal, interest, fees, expenses and other amounts payable under the DIP Documents as such become due, including, without limitation, letter of credit fees (including issuance and other related charges), continuing commitment fees, closing fees, the Exit Fee (as such term is defined in the DIP Term Loan Agreement), audit fees, appraisal fees, liquidator fees, structuring fees, administrative agent’s fees, the reasonable fees and disbursements of the DIP Agents’ and the Roll-Up Lenders’ attorneys, advisors, accountants and other consultants, all to the extent provided in, and in accordance with, the DIP Documents;

(ix) authorizing the Debtors to use the Prepetition Collateral, including the Cash Collateral (each as defined below) of the Prepetition Revolver Parties under the Prepetition Revolver Documents and the Prepetition Term Loan Parties under the Prepetition Term Loan Documents (each as defined herein), and providing adequate protection to the Prepetition Revolver Parties and Prepetition Term Loan Parties for any diminution in value of their respective interests in the Prepetition Collateral (as defined herein), including the Cash Collateral; and

(x) 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 Documents and this Final Order.

The Court having considered the DIP Motion, the exhibits attached thereto, the Declaration of Jeffrey Finger, the DIP Documents, the First Day Declaration, and the evidence submitted and argument made at the interim hearing held on March 2, 2017 (the “Interim Hearing”); and the Court having entered the *Interim Order (I) Authorizing Postpetition Financing, (II) Authorizing Use of Cash Collateral, (III) Granting Liens and Providing Superpriority Administrative Expense Status, (IV) Granting Adequate Protection, (V) Modifying Automatic Stay, (VI) Scheduling a Final Hearing, and (VII) Granting Related Relief* on March 2, 2017 (the “Interim Order”) [Docket No. 69], approving the DIP Motion on an interim basis and granting adequate protection to the Prepetition Secured Parties; 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 having been held and concluded on March 28, 2017 (the “Final Hearing”); and all objections, if any, to the final relief requested in the DIP Motion having been withdrawn, resolved, or overruled by the Court; and it appearing that approval of the relief requested in the DIP Motion on a final basis is fair and reasonable and in the best 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 it appearing that the Debtors’ entry into the DIP Agreements 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 FINAL HEARING, THE COURT MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:³

A. **Petition Date.** On February 28, 2017 (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.

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 and the *Amended Standing Order of Reference from the United States District Court for the Southern District of New York*, dated January 31, 2012. Venue for the Cases and proceedings on the DIP Motion is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

D. **Creditors’ Committee Formation.** The United States Trustee for Region 2 (the “U.S. Trustee”) appointed an official committee of unsecured creditors in these Cases pursuant to section 1102 of the Bankruptcy Code on March 9, 2017 (the “Creditors’ Committee”).

E. **Notice.** Proper, timely, adequate, and sufficient notice of the DIP 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 DIP Motion with respect to the relief requested at the Final Hearing or the entry of this Final Order shall be required.

³ 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.

F. **Debtors' Stipulations.** After consultation with their attorneys and financial advisors, and without prejudice to the rights of parties-in-interest as set forth in paragraph 43 herein, the Debtors, on their behalf and on behalf of their estates, admit, stipulate, acknowledge, and agree as follows (paragraphs F(i) through F(x) below are referred to herein, collectively, as the "Debtors' Stipulations"):

(i) *Prepetition Revolver Facility.* Pursuant to that certain Second Amended and Restated Loan Agreement dated as of February 5, 2015 (as amended, restated, supplemented, or otherwise modified from time to time, the "Prepetition Revolver 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 Revolver Documents"), among (a) the Borrower, (b) BCBG Max Azria Canada Inc. (the "Canadian Borrower" or "Canadian Debtor"), (c) the Guarantors, (d) Bank of America, N.A., as administrative agent (the "Prepetition Revolver Agent" and, through its Canada branch, the "Canadian Agent"), (e) Bank of America, N.A. and Wells Fargo Bank, N.A., each as a Co-Collateral Agent and (f) the lenders party thereto (including the Prepetition Revolver Agent, the Canadian Agent and the Co-Collateral Agents, the "Prepetition Revolver Lenders," and collectively with the Prepetition Revolver Agent, the "Prepetition Revolver Parties"), the Prepetition Revolver Lenders provided revolving credit and other financial accommodations to, and issued letters of credit for the account of, the Borrower and the Canadian Borrower pursuant to the Prepetition Revolver Documents (the "Prepetition Revolver Facility"). The Borrower and Guarantors each jointly and severally guaranteed all obligations of the Canadian Borrower (the "Canada Guaranty") as described in the Prepetition Revolver Facility. The Prepetition Revolver Agreement is subject to, among other things, that certain

Reservation of Rights dated June 14, 2016 and that certain Forbearance Agreement, dated as of February 14, 2017.

(ii) *Prepetition Revolver Obligations.* The Prepetition Revolver Facility provided the Borrower with, among other things, (x) \$82,500,000 in aggregate Tranche A Revolver Commitments, including letters of credit and swingline loan commitments and (y) \$2,500,000 in aggregate Tranche A-1 Revolver Commitments. As of the Petition Date, the aggregate principal amount of “Tranche A Revolver Loans” and a “Tranche A-1 Revolver Loans” outstanding under the Prepetition Revolver Facility was not less than \$61,004,410.99, including: (a) not less than \$59,087,720.48 with respect to “Tranche A Revolver Loans”, and (b) not less than \$1,916,690.51 with respect to “Tranche A-1 Revolver Loans”, and the aggregate undrawn amount of all outstanding “Letters of Credit” and “Bankers’ Acceptances” under the Prepetition Revolver Facility were not less than \$8,251,431.98 (each as defined in the Prepetition Revolver Agreement) (collectively, together with accrued and unpaid interest, outstanding letters of credit and bankers’ acceptances, any reimbursement obligations (contingent or otherwise) in respect of letters of credit and bankers’ acceptances, any fees, expenses and disbursements (including, without limitation, attorneys’ fees, accountants’ fees, auditor fees, appraisers’ fees and financial advisors’ fees, and related expenses and disbursements), treasury, cash management, bank product and derivative obligations, indemnification obligations, guarantee obligations (including the Borrower’s and Guarantors’ guarantee of the Canadian Borrower’s obligations under the Prepetition Revolver Facility), 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 any of the Borrower’s and the Guarantors’ obligations pursuant to the Prepetition Revolver Documents, including all “Obligations” (but specifically

(i) excluding the Canadian Obligations of the Canadian Debtor and (ii) including the obligations of the Borrower and the Guarantors in respect of their guarantee of the Canadian Obligations)) as defined in the Prepetition Revolver Agreement, the “Prepetition Revolver Obligations”).

(iii) *Prepetition Revolver Liens and Prepetition Revolver Primary Collateral.* As more fully set forth in the Prepetition Revolver Documents, prior to the Petition Date, the Borrower and the Guarantors granted to the Prepetition Revolver Agent, for the benefit of itself and the Prepetition Revolver Parties, a security interest in and continuing lien on (the “Prepetition Revolver Liens”) substantially all of their assets and property, including, without limitation, (a) a first priority security interest in and continuing lien on the Revolving Credit Primary Collateral (as defined in that certain Intercreditor Agreement referred to below) (which, for the avoidance of doubt, includes Cash Collateral) and all proceeds, products, accessions, rents, and profits thereof, in each case whether then owned or existing or thereafter acquired or arising (collectively, the “Prepetition Revolver Primary Collateral”), and (b) a second priority security interest in and continuing lien on the Term Loan Primary Collateral (as defined in that certain Intercreditor Agreement referred to below) and all proceeds, products, accessions, rents, and profits thereof, in each case whether then owned or existing or thereafter acquired or arising (collectively, the “Prepetition Term Loan Primary Collateral,” and together with the Prepetition Revolver Primary Collateral, the “Prepetition Collateral”). In addition, as more fully set forth in the Prepetition Revolver Documents, prior to the Petition Date, the Canadian Borrower granted to the Canadian Agent, for the benefit of itself and the Prepetition Revolver Parties, a security interest in and continuing lien on substantially all of its assets and property (the “Canadian Liens”) to secure the “Canadian Obligations” (as defined in the Prepetition Revolver Agreement).

(iv) *Prepetition Term Loan Facility.* Pursuant to that certain Fifth Amended and Restated Credit and Guaranty Agreement dated as of August 12, 2016 (as amended, restated or otherwise modified from time to time, the “Prepetition Term Loan 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,” and together with the Prepetition Revolver Documents, the “Prepetition Documents”), among (a) the Borrower, (b) Guggenheim Corporate Funding, LLC, as agent (the “Prepetition Term Loan Agent,” and together with the Prepetition Revolver Agent, the “Prepetition Agents”), (c) the Guarantors and (d) the lenders party thereto (the “Prepetition Term Loan Lenders,” and collectively with the Prepetition Term Loan Agent, the “Prepetition Term Loan Parties,” and together with the Prepetition Revolver Parties, the “Prepetition Secured Parties”), the Prepetition Term Loan Lenders provided term loans to the Borrower (the “Prepetition Term Loan Facility,” and together with the Prepetition Revolver Facility, the “Prepetition Secured Facilities”).

(v) *Prepetition Term Loan Obligations.* The Prepetition Term Loan Facility provided the Borrower with commitments to provide term loans in the aggregate principal amount of up to approximately \$380,708,193. As of the Petition Date, the aggregate principal amount outstanding under the Prepetition Term Loan Facility was \$377,100,000 (collectively, together with accrued and unpaid interest, any fees, expenses and disbursements (including, without limitation, attorneys’ fees, accountants’ fees, appraisers’ fees and financial advisors’ 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 any of the Borrower’s and the

Guarantors' obligations pursuant to the Prepetition Term Loan Documents, including all "Obligations" as defined in the Prepetition Term Loan Agreement, the "Prepetition Term Loan Obligations,"⁴ and together with the Prepetition Revolver Obligations, the "Prepetition Secured Obligations").

(vi) *Prepetition Term Loan Liens and Prepetition Term Loan Primary Collateral.* As more fully set forth in the Prepetition Term Loan Documents, prior to the Petition Date, the Borrower and the Guarantors (collectively, the "Prepetition Term Loan Credit Parties") granted to the Prepetition Term Loan Agent, for the benefit of itself and the Prepetition Term Loan Parties, a security interest in and continuing lien on (the "Prepetition Term Loan Liens," and together with the Prepetition Revolver Liens, the "Prepetition Liens") substantially all of their assets and property, including, without limitation, (a) a first priority security interest in and continuing lien on the Prepetition Term Loan Primary Collateral (subject to the priorities among the Prepetition Term Loan Lenders as set forth in the Prepetition Term Loan Documents), and (b) a second priority security interest in and continuing lien on the Prepetition Revolver Primary Collateral.

(vii) *Priority of Prepetition Liens; Intercreditor Agreement.* The Prepetition Revolver Agent, the Prepetition Term Loan Agent and others entered into that certain Fourth Amended and Restated Intercreditor Agreement dated as of February 5, 2015 (as supplemented by the Acknowledgement and Agreement, dated March 3, 2017, and as may be further amended, restated, supplemented, or otherwise modified in accordance with its terms, the "Intercreditor Agreement") to govern the respective rights, interests, obligations, priority, and positions of the Prepetition Revolver Parties and the Prepetition Term Loan Parties with respect

⁴ Following the roll-up of the Existing Tranche A Loans into the Roll-Up Term Loan DIP Obligations, the amount of the Prepetition Term Loan Obligations will be \$342,100,000.

to the assets and properties of the Debtors and other obligors. Each of the Borrower and Guarantors under the Prepetition Documents acknowledged and agreed to the Intercreditor Agreement.

(viii) *Validity, Perfection and Priority of Prepetition Revolver Liens and Prepetition Revolver Obligations.* The Debtors acknowledge and agree that as of the Petition Date (a) the Prepetition Revolver 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 Revolver Parties for fair consideration and reasonably equivalent value; (b) the Prepetition Revolver Liens were senior in priority over any and all other liens on the Prepetition Collateral, subject only to (1) the Prepetition Term Loan Liens on the Prepetition Term Loan Primary Collateral, and (2) certain liens otherwise permitted by the Prepetition Revolver Documents (solely to the extent any such permitted liens were valid, properly perfected, non-avoidable and senior in priority to the Prepetition Revolver Liens as of the Petition Date, the “Prepetition Revolver Permitted Prior Liens”); (c) the Prepetition Revolver Obligations constitute legal, valid, binding, and non-avoidable obligations of the Debtors enforceable in accordance with the terms of the applicable Prepetition Revolver Documents; (d) no offsets, challenges, objections, defenses, claims or counterclaims of any kind or nature to any of the Prepetition Revolver Liens or Prepetition Revolver Obligations exist, and no portion of the Prepetition Revolver Liens or Prepetition Revolver 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 Revolver 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 Revolver Facility; (g) the Debtors have waived, discharged, and released any right to challenge any of the Prepetition Revolver Obligations, the priority of the Debtors' obligations thereunder, and the validity, extent, and priority of the liens securing the Prepetition Revolver Obligations; and (h) the Prepetition Revolver Obligations constitute allowed, secured claims within the meaning of sections 502 and 506 of the Bankruptcy Code.

(ix) *Validity, Perfection and Priority of Prepetition Term Loan Liens and Prepetition Term Loan Obligations.* The Debtors further acknowledge and agree that, as of the Petition Date, the Prepetition Term Loan Liens were junior and subordinate to the Prepetition Revolver Liens on the Prepetition Revolver Primary Collateral and otherwise had priority over any and all other liens on the Prepetition Term Loan Primary Collateral, subject only to 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 "Prepetition Term Loan Permitted Prior Liens," and together with the Prepetition Revolver Permitted Prior Liens, the "Permitted Prior Liens").⁵ 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

⁵ Nothing herein shall constitute a finding or ruling by this Court that any Permitted Prior Lien is valid, senior, enforceable, prior, perfected or non-avoidable. Moreover, nothing shall prejudice the rights of any party-in-interest, including, but not limited to the Debtors, the DIP Agents, the Prepetition Revolver Parties, the Prepetition Term Loan Parties, or a Creditors' Committee, to challenge the validity, priority, enforceability, seniority, avoidability, perfection or extent of any alleged Permitted Prior Lien and/or security interests. The right of a seller of goods to reclaim such goods under section 546(c) of the Bankruptcy Code is not a Permitted Prior Lien and is expressly subject to the Prepetition Liens and DIP Liens.

Loan Parties for fair consideration and reasonably equivalent value; (b) the Prepetition Term Loan Obligations constitute legal, valid, binding, and non-avoidable obligations of the Debtors enforceable in accordance with the terms of the applicable Prepetition Term Loan Documents; (c) 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; (d) 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 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 Facilities; (g) 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 (h) the Prepetition Term Loan Obligations constitute allowed, secured claims within the meaning of sections 502 and 506 of the Bankruptcy Code.

(x) *Default by the Debtors.* The Debtors acknowledge and stipulate that the Debtors have been and are in default of their obligations under the Prepetition Revolver Documents and the Prepetition Term Loan Documents and that as of the Petition Date interest

was accruing on the Prepetition Revolver Obligations at the default rate and on the Prepetition Term Loan Obligations at the non-default rate.

G. **Cash Collateral.** All of the Debtors' cash, including any cash in deposit accounts of the Debtors, wherever located, constitutes Cash Collateral of the Prepetition Revolver Parties and Prepetition Term Loan Parties.

H. **Intercreditor Agreement.** Pursuant to section 510 of the Bankruptcy Code, the Intercreditor Agreement and any other intercreditor agreement or subordination agreement between and/or among any Prepetition Revolver 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 Documents (i) shall remain in full force and effect, (ii) shall continue to govern the relative priorities, rights and remedies of the Prepetition Revolver Parties and the Prepetition Term Loan 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 this Final Order 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 this Final Order or the DIP Documents, unless expressly set forth herein. The DIP ABL Credit Facilities are a "Refinancing" of the Prepetition Revolver Facility as that term is used in the Intercreditor Agreement, and the repayment in full of the Prepetition Revolver Obligations pursuant to this Final Order shall not be deemed to constitute a "discharge" of Prepetition Revolver Obligations. The DIP Term Loan Facility is a "Refinancing" in part of the Prepetition Term Loan Facility as that term is used in the Intercreditor Agreement, and any repayment of the Prepetition Term Loan Obligations pursuant to this Final Order shall not be deemed to constitute a "discharge" of

Prepetition Term Loan Obligations. For the avoidance of doubt, each of the DIP Agents acknowledges that the collateral access provisions set forth in Section 3.3 of the Intercreditor Agreement will apply in connection with such DIP Agent's enforcement rights with respect to DIP Collateral.

I. **Findings Regarding Postpetition Financing**

(i) *Request for Postpetition Financing.* The Debtors seek authority on a final basis to continue (a) borrowing under the DIP Facilities on the terms described herein and in the DIP Documents, and (b) using 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 Revolver Liens of the Prepetition Revolver Parties on the Prepetition Collateral and the priming of the Prepetition Term Loan Liens of the Prepetition Term Loan Parties on the Prepetition Collateral under section 364(d) of the Bankruptcy Code, as contemplated by the DIP Facilities and as further described below, will enable the Debtors to obtain the DIP Facilities and to continue to operate their businesses to the benefit of their estates and creditors. The Prepetition Revolver Parties and the Prepetition Term Loan Parties are each entitled to receive adequate protection as set forth in this Final Order pursuant to sections 361, 363, and 364 of the Bankruptcy Code, for any diminution in value ("Diminution in Value") of each of their respective interests in the Prepetition Collateral (including Cash Collateral).

(iii) *Need for Postpetition Financing and Use of Cash Collateral.* Since the Petition Date, the Debtors have had an immediate and critical need to use Cash Collateral and to obtain credit pursuant to the DIP Facilities in order to, among other things, enable the orderly continuation of their operations and to administer and preserve the value of

their estates. The ability of the Debtors 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 and the use of Cash Collateral, the absence of either of which would immediately and irreparably harm the Debtors, their estates, and parties-in-interest. The Debtors 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 the DIP Facilities and authorized use of Cash Collateral.

(iv) *No Credit Available on More Favorable Terms.* Given their current financial condition, financing arrangements, and capital structure, the Debtors have been and continue to be unable to obtain financing from sources other than the DIP Lenders on terms more favorable than the DIP Facilities. 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 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. Financing on a postpetition basis is not otherwise available without granting the DIP Agents, for the benefit of themselves and the DIP Lenders: (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 this Final Order.

(v) *Use of proceeds of the DIP Facilities.* As a condition to entry into the DIP Agreements, the extension of credit under the DIP Facilities and the authorization to use

Cash Collateral, the DIP Agents, the DIP Lenders, and the Prepetition Secured Parties require, and the Debtors have agreed, that proceeds of the DIP Facilities shall be used, in each case in a manner consistent with the terms and conditions of this Final Order and the DIP Documents and in accordance with the budget (as the same may be modified from time to time consistent with the terms of the DIP Documents and subject to such variances as permitted in the DIP Agreements, and as set forth in paragraph 20 hereof, the “Budget”),⁶ 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 as consented to by the DIP Agents, each in its sole discretion, and as approved by the Court; (e) payment of interest, fees and expenses (including without limitation, legal and other professionals’ fees and expenses of the DIP Agents and the Roll-Up Lenders) owed under the DIP Documents; (f) payment of certain adequate protection amounts to the Prepetition Secured Parties, as set forth in paragraph 16 hereof; (g) the deemed refinancing of the Prepetition Revolver Obligations as described in paragraph 10 below, subject to the rights preserved in paragraph 43 of this Final Order; (h) the prior payment by the DIP Term Lenders to the Prepetition Revolver Agent of an amount, not to exceed \$5,000,000, sufficient to re-establish the Availability Block to an amount equal to \$12,500,000, which amount was paid prior to the entry of this Final Order, is hereby approved on a final basis; (i) the deemed refinancing of the Existing Tranche A Loans as described herein, subject to the rights preserved in paragraph 43 of this Final Order; (j) payment (from proceeds of Prepetition Revolver Primary Collateral) on account of the Debtors’ guarantee of the “Canadian Obligations” (as described in the Prepetition Revolver Facility); and (k) payment of the Carve Out, *provided* that payment of the Carve Out

⁶ A copy of the Budget is attached hereto as Exhibit 3.

shall not be subject to the Budget.

(vi) *Application of Proceeds of Collateral.* As a condition to entry into the DIP Agreements, the extension of credit under the DIP Facilities and authorization to use Cash Collateral, the Debtors, the DIP Agents, the DIP Lenders, the Prepetition Revolver Agent, the Prepetition Revolver Lenders, the Prepetition Term Loan Agent and the Prepetition Term Loan Lenders have agreed that as of and commencing on the date of the Interim Hearing, the Debtors shall apply the proceeds of DIP Collateral solely in accordance with the Interim Order and this Final Order.

(vii) *Canadian Parallel Proceeding.* Substantially contemporaneously with the filing of the Cases, the Canadian Debtor has commenced a proceeding (the "Canadian Case") under Part III, Division I of the Bankruptcy and Insolvency Act (Canada) (the "BIA") before the Superior Court of Quebec (Commercial Division) (the "Canadian Court") in order to complete the orderly wind-down of the Canadian Debtor and the liquidation of the assets of the Canadian Debtor, substantially all of which are subject to the Canadian Liens securing "Canadian Obligations" (as defined in the Prepetition Revolver Agreement). In connection with the Canadian Case, the Debtors and the Canadian Debtor have entered into that certain Canadian Forbearance Agreement (the "Canadian Forbearance Agreement") providing, among other things, for the Prepetition Revolver Agent and Prepetition Revolver Lenders to forbear from exercise of remedies against the Canadian Debtor notwithstanding the existence and continuation of defaults under the Prepetition Revolver Facility. The Canadian Forbearance Agreement provides a material benefit to the Debtors in that it permits the orderly wind-down of the Canadian Debtor and the use of proceeds from the liquidation of the Canadian Debtor's assets to reduce the obligations of the Debtors to the Prepetition Lenders under the Canada Guaranty, all

of which obligations are secured by the Prepetition Collateral.

(viii) *Roll-Up of Prepetition Revolver Obligations.* Upon entry of this Final Order, without any further action by Debtors or any other party, the Prepetition Revolver Obligations shall be converted to, and shall be deemed to constitute, DIP ABL Obligations for all purposes and shall be deemed to be refinanced by the DIP ABL Credit Facilities, which is necessary as the Prepetition Revolver Parties would not otherwise consent to the use of their Cash Collateral or the subordination of their liens to the DIP Liens, and the DIP ABL Agent and the DIP ABL Lenders will not otherwise consent to providing the DIP ABL Credit Facilities and extending credit to the Debtors thereunder. In addition, the deemed refinancing of all outstanding Prepetition Revolver Obligations will result in an interest savings to the Debtors and their estates and, because they are subject to the reservation of rights in paragraphs 43 and 52 below, will not prejudice the rights of any party in interest.

(ix) *Roll-Up of Certain Prepetition Term Loan Obligations.* The roll-up of the Existing Tranche A Loans into the Roll-Up Term Loan DIP Obligations shall be authorized as compensation for, in consideration for, and solely on account of, the agreement of such Existing Tranche A Lenders to fund amounts under the DIP Term Loan Facility and not as payments under, adequate protection for, or otherwise on account of, Prepetition Term Loan Obligations. Notwithstanding any other provision of the Interim Order, this Final Order, the DIP Agreements or the Intercreditor Agreement, in the event that the roll-up of the Existing Tranche A Loans into the Roll-Up Term Loan DIP Obligations is subsequently unwound in accordance with paragraph 52 hereof, all rights of the Existing Tranche A Lenders shall be fully preserved, including without limitation, to challenge any priming of the Prepetition Term Loan Liens set forth herein or the valuation of the DIP Collateral or any portion thereof.

J. **Adequate Protection.** The Prepetition Revolver Agent, for the benefit of itself and the Prepetition Revolver Parties, and the Prepetition Term Loan Agent, for the benefit of itself and the Prepetition Term Loan Parties, are each entitled to receive adequate protection to the extent of any Diminution in Value of their respective interests in the Prepetition Collateral. Pursuant to sections 361, 363 and 507(b) of the Bankruptcy Code, as adequate protection: (i) the Prepetition Revolver Parties will receive (a) adequate protection liens and superpriority claims, as more fully set forth in paragraphs 11-17 herein, (b) current payment of interest, fees and expenses (including without limitation, legal and other professionals' fees and expenses of the Prepetition Revolver Agent and Prepetition Revolver Lenders whether arising before or after the Petition Date), and (c) payments in the amount of principal due under the Prepetition Revolver Agreement, consistent with paragraph 16, herein; and (ii) the Prepetition Term Loan Parties will receive (a) adequate protection liens and superpriority claims, as more fully set forth in paragraphs 11-17 herein, and (b) current payment of expenses (including without limitation, legal and other professionals' fees and expenses of the Prepetition Term Loan Agent and the Prepetition Term Loan Lenders whether arising before or after the Petition Date).

K. **Sections 506(c) and 552(b).** In light of (i) the DIP Agents' and DIP Lenders' agreement that their liens and superpriority claims shall be subject to the Carve Out Priority Scheme; (ii) the Prepetition Revolver Parties' agreement that their liens shall be subject to the Carve Out Priority Scheme and subordinate to the DIP ABL Liens and, in the case of the Prepetition Term Loan Primary Collateral, subordinate to the DIP Term Loan Liens; and (iv) the Prepetition Term Loan Parties' agreement that their liens shall be subject to the Carve Out Priority Scheme and subordinate to the DIP Term Loan Liens and, in the case of the Revolving Credit Primary Collateral, subordinate to the DIP ABL Liens, (a) the Prepetition Revolver

Parties and Prepetition Term Loan Parties are each entitled to a waiver of any “equities of the case” exception under section 552(b) of the Bankruptcy Code, and (b) the DIP Agents, DIP Lenders, Prepetition Revolver Parties and Prepetition Term Loan Parties are each entitled to a waiver of the provisions of section 506(c) of the Bankruptcy Code.

L. **Good Faith of the DIP Agents and DIP Lenders.**

(i) *Willingness to Provide Financing.* The DIP Lenders have indicated a willingness to provide financing to the Debtors subject to: (a) entry of the Interim Order and this Final Order; (b) approval of the terms and conditions of the DIP Facilities and the DIP Documents; (c) satisfaction of the closing conditions set forth in the DIP Documents; (d) entry of an initial order (the “Initial Order”) by the Canadian Court, in a form satisfactory to the DIP ABL Agent, commencing the Canadian Case and providing for the intercompany charges and claims as set forth herein and in the DIP Documents, and (d) findings by this Court that the DIP Financing is essential to the Debtors’ estates, that the DIP Agents and DIP Lenders are extending credit to the Debtors pursuant to the DIP Documents in good faith, and that the DIP Agents’ and DIP Lenders’ claims, superpriority claims, security interests and liens and other protections granted pursuant to this Final Order and the DIP Documents will have the protections provided by section 364(e) of the Bankruptcy Code.

(ii) *Business Judgment and Good Faith Pursuant to Section 364(e).* The terms and conditions of the DIP Facilities and the DIP Documents, and the fees paid and to be paid thereunder and hereunder, are fair, reasonable, and the best available to the Debtors under the circumstances, are ordinary and appropriate for secured financing to debtors in possession, reflect the Debtors’ exercise of prudent business judgment consistent with their fiduciary duties, and are supported by reasonably equivalent value and consideration. The terms

and conditions of the DIP Facilities and the use of Cash Collateral were negotiated in good faith and at arms' length among the Debtors, DIP Agents, DIP Lenders, Prepetition Revolver Parties and Prepetition Term Loan Parties, with the assistance and counsel of their respective advisors. Use of Cash Collateral and credit to be extended under the DIP Facilities shall be deemed to have been allowed, advanced, made, or extended in good faith by the DIP Agents, DIP Lenders, Prepetition Revolver Parties, and Prepetition Term Loan Parties within the meaning of section 364(e) of the Bankruptcy Code.

M. **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: (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 Revolver Agent, (iv) counsel to the Prepetition Term Loan Agent and Tranche B Lenders (as defined in the Prepetition Term Loan Agreement); (v) counsel to the Existing Tranche A Lenders; (vi) counsel to the Creditors' Committee; and (vii) all other parties entitled to notice under the Bankruptcy Rules and 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 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 Financing Approved.** The DIP Motion is granted, the DIP Financing (as defined herein) is authorized and approved, and the use of Cash Collateral is

authorized, in each case on a final basis and subject to the terms and conditions set forth in this Final Order. All objections to the DIP Motion and this Final Order to the extent not withdrawn, waived, settled or resolved are hereby denied and overruled.

DIP Facilities Authorization

2. Authorization of the DIP Financing. The DIP Financing is hereby approved on a final basis. The Debtors are expressly and immediately authorized and empowered on a final basis to continue borrowing under the DIP Facilities, and to incur and to perform the DIP Obligations in accordance with, and subject to, the terms of the Interim Order, this Final Order and the DIP 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 Facilities and the creation and perfection of the DIP Liens (as defined herein) described in and provided for by the Interim Order, this Final Order and the DIP Documents, including, without limitation, each Guarantor providing its joint and several guarantee of all of the DIP Obligations. The Debtors are hereby authorized and directed to pay, in accordance with the Interim Order and this Final Order, the principal, interest, fees, expenses and other amounts described in the DIP Documents and all other documents comprising the DIP Facilities as such become due and without need to obtain further Court approval, including, without limitation, closing fees, the Exit Fee (as such term is defined in the DIP Term Loan Agreement), letter of credit fees (including issuance, fronting, and other related charges), unused facility fees, continuing commitment fees, servicing fees, audit fees, appraisal fees, liquidator fees, structuring fees, administrative agent's fees, the reasonable fees and disbursements of the DIP Agents' and Roll-Up Lenders' 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 hereby 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 Order, this Final Order or the DIP 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 Documents. The DIP Documents represent valid and binding obligations of the Debtors, enforceable against each of the Debtors and their estates in accordance with their terms. The Debtors' joint and several guarantee of the Canadian Obligations under the Canada Guaranty (as defined in the Prepetition Revolver Agreement) is and shall remain in full force and effect, including with respect to any and all Canadian Obligations arising after the Petition Date.

3. Authorization to Borrow. In order to prevent immediate and irreparable harm to the Debtors' estates, from the entry of this Final Order through and including the earliest to occur of (a) the DIP Termination Date or (b) the Termination Declaration, and subject to the terms, conditions, and limitations set forth in the DIP Documents, including on availability and reserves, and this Final Order, the Debtors are hereby authorized on a final basis to continue requesting and obtaining extensions of credit (in the form of loans and letters of credit) up to an aggregate outstanding principal amount of not greater than \$77,500,000 at any one time outstanding under the DIP ABL Credit Facilities, and \$45,000,000 at any one time outstanding under the DIP Term Loan Credit Facility (collectively, the "DIP Financing").

4. DIP Obligations. The DIP Documents and this Final Order shall constitute and evidence the validity and binding effect of the Debtors' DIP Obligations, which DIP 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”). The DIP Obligations will include all loans, letter of credit reimbursement obligations, 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 the DIP Agents or any of the DIP Lenders, under the DIP Documents, the Interim Order or this Final Order, including, without limitation, all principal, accrued interest, costs, fees, expenses and other amounts under the DIP Documents. All letters of credit issued for the account of the Debtors under the Prepetition Revolver Agreement shall continue in place and all obligations under or in connection with such letters of credit shall be subject to the DIP ABL Agreement and shall constitute DIP ABL Obligations. The Debtors shall be jointly and severally liable for the DIP Obligations. Without limiting the foregoing, the DIP ABL Obligations shall include (a) cash management and bank product exposure and (b) the joint and several guarantee of the Canadian Obligations (as defined in the Prepetition Revolver Agreement) by the Borrower and each Guarantor, including with respect to all Canadian Obligations arising after the Petition Date. The DIP Obligations shall be due and payable, without notice or demand, and the use of Cash Collateral shall automatically cease on the DIP Termination Date (as defined herein), except as provided in paragraph 31 herein. No obligation, payment, transfer, or grant of collateral security hereunder or under the DIP Documents (including any DIP Obligation or DIP Liens (as defined below), and including in connection with any adequate protection provided to the Prepetition Secured Parties hereunder) shall be 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 Liens. In order to secure the DIP Obligations, pursuant to sections 361, 362, 364(c)(2), 364(c)(3), and 364(d) of the Bankruptcy Code, the DIP Agents, for the benefit of themselves and the DIP Lenders, were granted upon entry of the Interim Order, and are hereby granted on a final basis, continuing, valid, binding, enforceable, non-avoidable, and automatically and properly perfected postpetition security interests in and liens on (collectively, the “DIP Liens”) all real and personal property, whether now existing or hereafter arising and wherever located, tangible and intangible, of each of the Debtors (the “DIP Collateral”), including without limitation: (a) all cash, cash equivalents, deposit accounts, securities accounts, accounts, other 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, commercial tort claims, causes of action 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, (c) the proceeds of any avoidance actions brought pursuant to section 549 of the Bankruptcy Code to recover any post-petition transfer of DIP Collateral and (d) the Debtors’ rights under

section 506(c) of the Bankruptcy Code and the proceeds thereof and including all DIP Collateral that was not otherwise subject to valid, perfected, enforceable and unavoidable liens on the Petition Date. Notwithstanding the foregoing, DIP Collateral shall not include (a) the Debtors' real property leases but shall include all proceeds of such leases, (b) any of the outstanding Equity Interests of (i) International Holdings, (ii) any Disregarded Domestic Subsidiary or (iii) a CFC, in each case, in excess of (X) 66% of the voting power of all classes of Equity Interests of International Holdings or such Disregarded Domestic Subsidiary entitled to vote and (Y) in the case of any CFC, 66% of the Equity Interests entitled to vote owned by the Obligors in the aggregate; *provided* that (A) the exclusion in clause (iii) above shall not apply to any CFC that for federal income tax purposes is treated as a disregarded entity directly owned by a Disregarded Domestic Subsidiary if such CFC has no direct or indirect interest in other foreign entities other than entities that are also treated as disregarded for federal income tax purposes and (B) immediately upon the amendment of the Internal Revenue Code to allow the pledge of a greater percentage of the voting power of Equity Interests in International Holdings, any such Disregarded Domestic Subsidiary or CFC without adverse tax consequences, the Collateral shall include, and the security interest granted by each Grantor shall attach to, such greater percentage of Equity Interests of International Holdings, any such Disregarded Domestic Subsidiary and each CFC, or (c) the proceeds of actions or other avoidance claims under sections 547 or 548 of the Bankruptcy Code or any other avoidance actions under their state law analogs (collectively, "Avoidance Actions") (capitalized terms used in this sentence without definition shall have the meanings given to such terms in the DIP Collateral Agreement (as defined in the DIP Term Loan Agreement)). DIP Collateral that is of a type that would be Revolving Credit Primary Collateral (as defined the Intercreditor Agreement) and the proceeds and products

thereof shall constitute “DIP Revolver Primary Collateral”, and DIP Collateral (a) that is of a type that would be Term Loan Primary Collateral (as defined in the Intercreditor Agreement) and the proceeds and products thereof and (b) the DIP Term Loan Cash Collateral Account (as defined below) shall constitute “DIP Term Loan Primary Collateral.” Notwithstanding anything to the contrary contained herein, the DIP ABL Agent shall not have a perfected postpetition security interests in and lien on the DIP Term Loan Cash Collateral Account.

6. DIP Lien Priority. The DIP Liens securing the DIP ABL Obligations (the “DIP ABL 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 ABL Liens shall be subject to the Carve Out Priority Scheme and shall otherwise be junior only to: (a) as to the DIP ABL Primary Collateral, Permitted Prior Liens; and (b) as to the DIP Term Loan Primary Collateral, (i) Permitted Prior Liens; (ii) the DIP Term Loan Liens (as defined herein); (iii) the Prepetition Term Loan Liens; and (iv) the Prepetition Term Loan Adequate Protection Liens. The DIP Liens securing the DIP Term Loan Obligations (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 Priority Scheme and shall otherwise be junior only to: (a) as to the DIP Term Loan Primary Collateral, Permitted Prior Liens; and (b) as to the DIP ABL Primary Collateral, (i) Permitted Prior Liens; (ii) the DIP ABL Liens; (iii) the Prepetition Revolver Liens; and (iv) the Prepetition Revolver Adequate Protection Liens. Other than as set forth herein or in the DIP Documents, the DIP 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 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 Liens. Notwithstanding any provisions of the Interim Order or this Final Order, or any final orders pertaining to the sale of the Debtors' assets, or any agreements validated by any such orders, any senior liens currently held by the Local Texas Tax Authorities⁷ shall neither be primed by, nor subordinated to, any liens granted thereby.

7. Superpriority Claims. The DIP Agents and DIP Lenders are hereby granted on a final basis, 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 Superpriority Claims") for all DIP 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), 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. Notwithstanding

⁷ As used herein, "Local Texas Tax Authorities" shall mean Arlington ISD, HC MUD 358, HC WCID 155, City of Mercedes, Bexar County, Cameron County, Cypress - Fairbanks ISD, Dallas County, El Paso, Fort Bend County, Frisco, Harris County, Hidalgo County, McAllen, McLennan County, Montgomery County, Nueces County, San Marcos CISD, Smith County, Tarrant County, and Lewisville ISD.

the foregoing, the DIP Superpriority Claims shall be subject to the Carve Out Priority Scheme. The proceeds of the Avoidance Actions shall be available to satisfy the DIP Superpriority Claims and the Adequate Protection Superpriority Claims, if any.

8. No Obligation to Extend Credit. Except as required to fund the Carve Out as set forth in paragraph 40, the DIP Agents and DIP Lenders shall have no obligation to make any loan or advance, or to issue, amend, renew or extend any letters of credit or bankers' acceptance under the DIP Documents, unless all of the conditions precedent to the making of such extension of credit or the issuance, amendment, renewal or extension of such letter of credit or bankers' acceptance under the DIP Documents and this Final Order have been satisfied in full or waived by the DIP ABL Agent, DIP Term Loan Agent, as applicable, each in its sole discretion, and in accordance with the terms of the DIP ABL Agreement and the DIP Term Loan Agreement.

9. Use of Proceeds of DIP Facilities. From and after the Petition Date, the Debtors shall use advances of credit under the DIP Facilities, in accordance with the Budget, only for the purposes specifically set forth in this Final Order and the DIP Documents, and in compliance with the terms and conditions in this Final Order and the DIP Documents, unless otherwise ordered by the Court.

10. Roll-Up of Prepetition Revolver Obligations. Upon entry of this Final Order, without any further action by Debtors or any other party, the Prepetition Revolver Obligations shall be converted to, and shall be deemed to constitute, DIP ABL Obligations for all purposes and shall be deemed to be refinanced by the DIP ABL Credit Facilities.⁸

⁸ For certainty, (i) all "Canadian Obligations" (as defined in the Prepetition Revolver Agreement) shall continue under the Prepetition Revolver Agreement (which shall continue in full force and effect with respect to the Canadian Obligations) and (ii) the joint and several guarantee of the Canadian Obligations under the Canada

Authorization to Use Cash Collateral

11. Authorization to Use Cash Collateral. Subject to the terms and conditions of this Final Order, the DIP Facilities and the DIP Documents and in accordance with the Budget, the Debtors are authorized to continue using Cash Collateral until the DIP Termination Date (as defined herein); *provided* that during the Remedies Notice Period (as defined herein) the Debtors may use Cash Collateral in accordance with the terms and provisions of the Budget solely to meet payroll obligations and pay expenses critical the administration of the Debtors' estates in accordance with the Budget, and as otherwise agreed by the DIP Agents in their sole discretion. Nothing in this Final Order shall authorize the disposition of any assets of the Debtors or their estates outside the ordinary course of business, or any Debtor's use of any Cash Collateral or other proceeds resulting therefrom, except as permitted in this Final Order, the DIP Facilities, the DIP Documents, and in accordance with the Budget.

12. Adequate Protection Liens.

(a) *Prepetition Revolver Adequate Protection Liens.* Pursuant to Sections 361, 363(e) and 364(d) of the Bankruptcy Code, as adequate protection of the interests of the Prepetition Revolver Parties in the Prepetition Collateral against any Diminution in Value of such interests in the Prepetition Collateral, the Debtors hereby grant on a final basis to the Prepetition Revolver Agent, for the benefit of itself and the Prepetition Revolver Parties, continuing valid, binding, enforceable and perfected postpetition security interests in and liens on the DIP Collateral (the "Prepetition Revolver Adequate Protection Liens").

(b) *Prepetition Term Loan Adequate Protection Liens.* Pursuant to Sections 361, 363(e) and 364(d) of the Bankruptcy Code, as adequate protection of the interests of the

Guaranty (as defined in the Prepetition Revolver Agreement) by the Borrower and each Guarantor shall remain in full force and effect, including with respect to Canadian Obligations arising after the Petition Date.

Prepetition Term Loan Parties in the Prepetition Collateral against any Diminution in Value of such interests in the Prepetition Collateral, the Debtors hereby grant on a final basis to the Prepetition Term Loan Agent, for the benefit of itself and the Prepetition Term Loan Parties, continuing valid, binding, enforceable and perfected postpetition security interests in and liens on the DIP Collateral (the “Prepetition Term Loan Adequate Protection Liens,” and together with the Prepetition Revolver Adequate Protection Liens, the “Adequate Protection Liens”).

13. Priority of Adequate Protection Liens.

(a) The Prepetition Revolver Adequate Protection Liens shall be subject to the Carve Out Priority Scheme and shall otherwise be junior only to: (i) with respect to the DIP ABL Primary Collateral (A) Permitted Prior Liens; (B) the DIP ABL Liens; and (C) the Prepetition Revolver Liens; and (ii) with respect to the DIP Term Loan Primary Collateral (A) Permitted Prior Liens; (B) the DIP Term Loan Liens; (C) the Prepetition Term Loan Liens; (D) the Prepetition Term Loan Adequate Protection Liens; (E) the DIP ABL Liens; and (F) the Prepetition Revolver Liens. The Prepetition Revolver Adequate Protection Liens shall be senior to all other security interests in, liens on, or claims against any of the Debtors’ assets.

(b) The Prepetition Term Loan Adequate Protection Liens shall be subject to the Carve Out Priority Scheme and shall otherwise be junior only to: (i) with respect to the DIP ABL Primary Collateral (A) Permitted Prior Liens; (B) the DIP ABL Liens; (C) the Prepetition Revolver Liens; (D) the Prepetition Revolver Adequate Protection Liens; (E) the DIP Term Loan Liens; and (F) the Prepetition Term Loan Liens; and (ii) with respect to the DIP Term Loan Primary Collateral (A) Permitted Prior Liens; (B) the DIP Term Loan Liens; and (C) 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 Debtors’ assets.

(c) Except as provided herein, the 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 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 Liens or the Adequate Protection Liens.

14. Adequate Protection Superpriority Claims.

(a) *Prepetition Revolver Superpriority Claim.* As further adequate protection of the interests of the Prepetition Revolver Parties in the Prepetition Collateral against any Diminution in Value of such interests in the Prepetition Collateral, the Prepetition Revolver Agent, on behalf of itself and the Prepetition Revolver Parties, is hereby granted on a final basis as and to the extent provided by section 507(b) of the Bankruptcy Code an allowed superpriority administrative expense claim in each of the Cases and any Successor Cases (the “Prepetition Revolver Superpriority Claim”).

(b) *Prepetition Term Loan Superpriority Claim.* As further adequate protection of the interests of the Prepetition Term Loan Parties in the Prepetition Collateral against any Diminution in Value of such interests in the Prepetition Collateral, the Prepetition Term Loan Agent, on behalf of itself and the Prepetition Term Loan Parties, is hereby granted on a final basis as and to the extent provided by section 507(b) or the Bankruptcy Code an allowed superpriority administrative expense claim in each of the Cases and any Successor Cases (the

“Prepetition Term Loan Superpriority Claim,” and together with the Prepetition Revolver Superpriority Claim, the “Adequate Protection Superpriority Claims”).

15. Priority of the Adequate Protection Superpriority Claims. Except as set forth herein, the Adequate Protection Superpriority Claims 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), 507(a), 506(c), 507(b), 546(c), 546(d), 726, 1113, and 1114 of the Bankruptcy Code; *provided that*: (i) the Adequate Protection Superpriority Claims shall be *pari passu* with each other, without otherwise impairing the lien priorities as set forth herein, and subject to the Carve Out Priority Scheme and junior to the DIP Superpriority Claims.

16. Adequate Protection Payments and Protections for Prepetition Revolver Parties. Subject to paragraphs 43 and, as applicable, 52 of this Final Order, as further adequate protection (the “Prepetition Revolver Adequate Protection Payments”), the Debtors are authorized and directed to provide on a final basis, adequate protection to the Prepetition Revolver Parties in the form of (i) the deemed refinancing of the Prepetition Revolver Obligations as described in paragraph 10 above, and (ii) payment in cash (and as to fees and expenses, without the need for the filing of a formal fee application) of the reasonable fees, expenses, and disbursements (including without limitation, the fees, expenses, and disbursements of counsel and third-party consultants and other vendors, including without limitation, financial advisors and auditors) incurred by the Prepetition Revolver Agent and Prepetition Revolver Lenders whether arising prior to, on, or subsequent to the Petition Date; *provided that* following

an Event of Default, any such payments to the Prepetition Revolver Parties shall be made solely from DIP ABL Primary Collateral.

17. Adequate Protection Payments and Protections for Prepetition Term Loan Parties. Subject to paragraphs 43 and, as applicable, 52 of this Final Order, as further adequate protection (the “Prepetition Term Loan Adequate Protection Payments,” and together with the Prepetition Revolver Adequate Protection Payments, the “Adequate Protection Payments”), the Debtors are authorized and directed to pay (a) on a final basis in cash without the need for the filing of formal fee applications the reasonable fees, expenses, and disbursements (including without limitation, the fees, expenses, and disbursements of counsel and third-party consultants and other vendors, including without limitation, financial advisors and auditors) incurred by the Prepetition Term Loan Agent and the Prepetition Term Loan Lenders (including the Existing Tranche A Lenders) whether prior to, on, or subsequent to the Petition Date and (b) on a final basis to the Prepetition Term Loan Agent, for the benefit of the New Tranche A Lenders (as such term is defined in the Prepetition Term Loan Agreement), interest on the outstanding principal amount of the New Tranche A Loans (as such term is defined in the Prepetition Term Loan Agreement) equal to (i) a default cash interest rate applicable under the Prepetition Term Loan Agreement to the New Tranche A Loans (which, for the avoidance of doubt, equals to 15.00% per annum), payable monthly in cash on the last Business Day of each month, on the first \$15,000,000 of outstanding principal amount of the New Tranche A Loans (*i.e.*, \$187,500) and (ii) a default paid in kind interest rate applicable under the Prepetition Term Loan Agreement to the New Tranche A Loans (which, for the avoidance of doubt, equals to 17.00% per annum), payable monthly in kind on the last Business Day of each month (which interest shall be capitalized and added to the principal amount of such

New Tranche A Loans), on the remaining outstanding portion of New Tranche A Loans (*i.e.*, \$35,000,000); *provided, however*, that to the extent the payment under clause (b)(i) above would reasonably be expected to cause an Event of Default under and as defined in the DIP Term Loan Agreement the interest on the first \$15,000,000 of outstanding principal amount of the New Tranche A Loans shall be paid pursuant to clause (b)(ii) above; and *provided* further that following an Event of Default, any such payments to the Prepetition Term Loan Parties shall be made solely from the DIP Term Loan Primary Collateral.

18. 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 Revolver Parties and the Prepetition Term Loan Parties 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 Revolver Parties and Prepetition Term Loan Parties of the adequate protection provided herein shall not be deemed an admission that the interests of the Prepetition Revolver Parties or Prepetition Term Loan Parties are adequately protected. Further, this Final Order shall not prejudice or limit the rights of the Prepetition Revolver Parties or Prepetition Term Loan Parties to seek additional relief with respect to the use of Cash Collateral or for additional adequate protection; *provided* that (a) nothing herein shall impair the rights of the Debtors, the Creditors' Committee, or any other party in interest to seek to contest any request for additional or different adequate protection, and (b) any section 507(b) claim granted in the Cases to the Prepetition Revolver Parties and the Prepetition Term Loan Parties shall be subject to the Carve Out Priority Scheme.

Provisions Common to DIP Financing and Use of Cash Collateral

19. Amendment of the DIP Documents. The DIP 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 (i) is in accordance with the DIP Documents, and (ii) does not prejudice the rights of the Debtors in any material respect; (b) notice of any such amendment, modification, or supplement (other than those that are ministerial, technical, or amendments to the DIP Documents as contemplated herein) is provided at least three (3) business days in advance to counsel for the Creditors' Committee and the U.S. Trustee (the "Notice Parties"), which notice may be provided through electronic mail or facsimile); and (c) the amendment, modification or supplement is filed with the Court; *provided* 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 the Creditors' Committee or any party in interest to be heard, and the Debtors, the DIP Agents, and the DIP ABL Co-Collateral Agents consent to having any objection heard on shortened notice.

20. Budget Maintenance. The use of borrowings and letters of credit under the DIP Facilities shall be in accordance with the Budget, subject to the line item variances set forth in paragraph 21 herein, depicting on a weekly basis cash revenue, receipts, expenses and disbursements on a line item basis for the first 22 weeks from the Closing Date (as defined in the DIP Agreements). The Budget and any modification to, or amendment or update of, the Budget shall be subject to the approval of, and in form and substance reasonably acceptable to the DIP Agents and the DIP ABL Co-Collateral Agents in their reasonable discretion. Any modification to, or amendment or update of, the Budget provided to the DIP Agents and the DIP ABL Co-Collateral Agents shall be simultaneously provided to counsel for the Creditors' Committee. The

Budget shall be updated, modified or supplemented no more frequently than monthly by the Debtors, and each such updated, modified or supplemented budget shall be approved in writing by, and shall be in form reasonably satisfactory to, the DIP Agents and the DIP ABL Co-Collateral Agents in their discretion and no such updated, modified or supplemented budget shall be effective until so approved and once so approved shall be deemed the “Budget.” A copy of any Budget (or updated Budget) shall be delivered to counsel for the Creditors’ Committee and the U.S. Trustee after it has been approved by the DIP Agents and the DIP ABL Co-Collateral Agents.

21. Budget Compliance. The Debtors shall not (a) pay any expenses or other disbursements other than those set forth in the Budget or otherwise permitted by the DIP Documents or orders of the Court; *provided* that, (i) in the case of the fees, costs and expenses of the DIP Agents and the Prepetition Agents, the Debtors shall pay such fees, costs and expenses in accordance with the DIP Documents and this Final Order without being limited by the Budget, and (ii) commencing following the third full calendar week following the Petition Date and for each calendar week thereafter, the Debtors shall not permit (A) Actual Inventory Receipts for any Cumulative Four Week Period or the Cumulative Period to be less than 90% of Budgeted Inventory Receipts for any such Cumulative Four Week Period or the Cumulative Period, (B) the Actual Net Cash Flows (without giving effect to borrowings and repayments under the DIP Facilities) for any Cumulative Four Week Period or the Cumulative Period to be less than 90% of the Budgeted Net Cash Flows (without giving effect to borrowings and repayments under the DIP Facilities) for any Cumulative Four Week Period or the Cumulative Period, (C) any Actual Line Item Disbursement Amount (other than amounts under the line item “Contractors / Professional / Legal”) for any Cumulative Four Week Period or the Cumulative Period to exceed

110% of the Budgeted Line Item Disbursement Amount (other than amounts under the line item “Contractors / Professional / Legal”) for the applicable line item for any such Cumulative Four Week Period or the Cumulative Period or (D) solely for purposes of compliance with the terms of the DIP Term Loan Agreement, any Actual Professional Disbursement Amount for any Cumulative Four Week Period or the Cumulative Period to exceed 115% of the Budgeted Professional Disbursement Amount for any such Cumulative Four Week Period or the Cumulative Period. Terms used in the foregoing Paragraph 21(ii) without definition shall have the meanings given to such terms in the DIP ABL Agreement. The Debtors shall deliver to the DIP Agents and the Creditors’ Committee on or before 11:59 p.m. Pacific Time on Thursday of each week a compliance certificate, in a form agreed to by the DIP Agents, which shall include such detail as is reasonably satisfactory to the DIP Agents, signed by a responsible officer of the Borrower certifying that, among other things, the Debtors are in compliance with the budget covenants set forth above, and attaching an approved budget variance report in a form satisfactory to the DIP Agents. Until such time as 4 weeks shall have elapsed since the Petition Date, any reference herein to a 4 week cumulative period shall mean such shorter period from the Petition Date to the date of determination.

22. Modification of Automatic Stay. The automatic stay imposed under section 362(a)(2) of the Bankruptcy Code is hereby modified as necessary to effectuate all of the terms and provisions of this Final Order, including, without limitation, to: (a) permit the Debtors to grant the DIP Liens, Adequate Protection Liens, DIP Superpriority Claims, and Adequate Protection Superpriority Claims; (b) permit the Debtors to perform such acts as the DIP Agents, DIP Lenders, or the Prepetition Agents each may reasonably request to assure the perfection and priority of the liens granted herein; (c) permit the Debtors to incur all liabilities and obligations

to the DIP Agents, DIP Lenders, Prepetition Revolver Parties and Prepetition Term Loan Parties under the DIP Documents, the DIP Facilities and this Final Order; (d) permit the Debtors to enter into the Canadian Forbearance Agreement; and (e) authorize the Debtors to pay, and the DIP Agents, the DIP Lenders and the Prepetition Secured Parties to retain and apply, payments made in accordance with the terms of this Final Order.

23. Perfection of DIP Liens and Adequate Protection Liens. This Final Order shall be sufficient and conclusive evidence of the creation, validity, perfection, and priority of all liens granted herein, including the DIP Liens and the 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 Liens, the Adequate Protection Liens, or to entitle the DIP Agents, the DIP Lenders, the Prepetition Revolver Parties and the Prepetition Term Loan Parties to the priorities granted herein. Notwithstanding the foregoing, the DIP Agents, the Prepetition Revolver Agent and the Prepetition Term Loan Agent each are authorized to file, as it in its sole discretion 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 Liens and the 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* that no such filing or recordation shall be necessary or required in order to create or perfect the DIP Liens, or the Adequate Protection Liens. The Debtors are authorized and directed to execute and deliver promptly upon

demand to the DIP Agents, Prepetition Revolver Agent and the Prepetition Term Loan Agent all such financing statements, mortgages, notices and other documents as the DIP Agents, the Prepetition Revolver Agent, or the Prepetition Term Loan Agent may reasonably request. The DIP Agents, the Prepetition Revolver Agent and the Prepetition Term Loan 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 the Prepetition Revolver Agent or the Prepetition Term Loan 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 Documents or is listed as loss payee or additional insured under any of the Debtors' insurance policies, each DIP Agent (as applicable) shall also be deemed to be the secured party under such documents or to be the loss payee or additional insured, as applicable. The Prepetition Agents shall serve as agents for the DIP Agents for purposes of perfecting the DIP Agents' 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.

24. Application of Proceeds of Collateral. As a condition to the entry of the DIP Documents, the extension of credit under the DIP Facilities and the authorization to use Cash Collateral, the Debtors have agreed that as of and commencing on the date of the Interim Hearing, the Debtors shall apply all net proceeds of DIP Collateral that is sold in the ordinary course or liquidated as follows: (a) with respect to DIP ABL Primary Collateral (i) *first*, following the occurrence of an Event of Default (as defined herein), to costs and expenses of the

DIP ABL Agent; (ii) second, to repay in full any remaining outstanding Prepetition Revolver Obligations; (iii) third, to reduce the DIP ABL Obligations, and (iv) after indefeasible repayment in full in cash of the Prepetition Revolver Obligations and the DIP ABL Obligations (including, in each case, provision for contingent obligations (including obligations arising under the Canada Guaranty) and the termination of the DIP ABL Credit Facilities, (x) to costs and expenses of the DIP Term Loan Agent, (y) to reduce the DIP Term Loan Obligations, and (z) to reduce the Prepetition Term Loan Obligations; and (b) with respect to DIP Term Loan Primary Collateral, (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), (x) to costs and expenses of the DIP ABL Agent, (y) to repay in full any remaining outstanding Prepetition Revolver Obligations, and (z) to reduce the DIP ABL Obligations. The reduction of the Prepetition Secured Obligations is subject to the reservation of rights provided in paragraph 43 herein.

25. Protections of Rights of DIP Agents, DIP Lenders and Prepetition Secured Parties.

(a) Unless the DIP Agents, the Prepetition Agents, the Requisite New Money Lenders and the Requisite Roll-Up Lenders (each such term as defined in the DIP Term Loan Agreement and collectively referred to herein as “Specified Requisite DIP Term Loan Lenders”) shall have provided their prior written consent or all DIP Obligations and all Prepetition Secured Obligations have been indefeasibly paid in full in cash, there shall not be entered in any of these Cases, any Successor Cases or the Canadian Cases any order (including any order confirming

any plan of reorganization or liquidation) 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 Liens, the DIP Superpriority Claims, the Prepetition Liens, the Prepetition Adequate Protection Liens, and/or the Adequate Protection Superpriority Claims except as expressly set forth in this Final Order; (ii) the use of Cash Collateral for any purpose other than as permitted in the DIP Documents and this Final Order, (iii) 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 (iv) any modification of any of the DIP Agents', DIP Lenders', or the Prepetition Secured Parties' rights under this Final Order, the DIP Documents or the Prepetition Documents with respect any DIP Obligations or Prepetition Secured Obligations.

(b) The Debtors (and/or their legal and financial advisors in the case of clauses (ii) through (iv) below) will, whether or not the DIP Obligations have been indefeasibly paid in full in cash, (i) maintain books, records, and accounts to the extent and as required by the DIP Documents, (ii) reasonably cooperate with, consult with, and provide to the DIP Agents and the DIP Lenders all such information and documents that any or all of the Debtors are obligated (including upon reasonable request by any of the DIP Agents or the DIP Lenders) to provide under the DIP Documents or the provisions of this Final Order, (iii) upon reasonable advance notice, permit consultants, advisors and other representatives (including third party representatives) of each of the DIP Agents and Prepetition Agents 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 (other than legal counsel) as and to the extent required by the DIP Documents and/or the Prepetition Documents, (iv) permit the DIP Agents and Prepetition Agents, 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, and (v) upon reasonable advance notice, permit the DIP Agents and Prepetition Agents 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.

(c) No Debtor shall object to any DIP Lenders or any Prepetition Secured Parties credit bidding up to the full amount of the applicable outstanding DIP Obligations, Prepetition Revolver Obligations (as applicable), 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, or otherwise, subject in each case to the rights and duties of the parties under the Intercreditor Agreement and 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.

26. Proceeds of Subsequent Financing. 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 Documents at any time prior to the indefeasible repayment in full of all DIP Obligations and Prepetition Secured Obligations, and the termination of the DIP Agents' and DIP Lenders' obligation to extend credit under the DIP Facilities, 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 Agents to be applied in accordance with this Final Order and the DIP Documents.

27. Cash Collection. From and after the date of the entry of the Interim Order, all collections and proceeds of any DIP ABL Primary Collateral or Prepetition Revolver Primary Collateral or services provided by any Debtor and all Cash Collateral (excluding solely cash in the DIP Term Loan Cash Collateral Account) that shall at any time come into the possession, custody, or control of any Debtor, or to which any Debtor is now or shall become entitled at any time, shall be promptly deposited in the same lock-box and/or deposit accounts into which the collections and proceeds of the Prepetition Revolver Primary Collateral were deposited under the Prepetition Documents (or in such other accounts as are designated by the DIP ABL Agent from time to time) (collectively, the "Cash Collection Accounts"), which accounts shall be subject to the sole dominion and control of the DIP ABL Agent. All proceeds and other amounts in the Cash Collection Accounts shall be remitted to the DIP ABL Agent for application in accordance with the DIP ABL Documents and this Final Order; *provided* that solely with respect to cash in the DIP Term Loan Cash Collateral Account, such cash shall be

under the control and dominion of the DIP Term Loan Agent and shall be governed by and in accordance with the DIP Term Loan Documents. Unless otherwise agreed to in writing by the DIP Agents and Prepetition Agents, the Debtors shall maintain no accounts except those identified in the Cash Management Order (the “Cash Management Order”). The Debtors and the financial institutions where the Debtors’ Cash Collection Accounts are maintained (including those accounts identified in any Cash Management Order), are authorized and directed to remit, without offset or deduction, funds in such Cash Collection Accounts upon receipt of any direction to that effect from the DIP ABL Agent. From and after the date of the entry of the Interim Order, all collections and proceeds of any DIP Term Loan Primary Collateral or Prepetition Term Loan Primary Collateral that shall at any time come into the possession, custody, or control of any Debtor, or to which any Debtor is now or shall become entitled at any time, shall be promptly deposited in the Term Loan Collateral Account (as defined in the DIP Term Loan Agreement) (or in such other accounts as are designated by the DIP Term Loan Agent from time to time) (collectively, the “Term Loan Collection Accounts”), which accounts shall be in the name of the DIP Term Loan Agent and subject to the sole dominion and control of the DIP Term Loan Agent and otherwise to the lien priorities set forth in this Final Order and the Intercreditor Agreement.

28. DIP Term Loan Cash Collateral Account. The Borrower has established and shall maintain a segregated account defined as the “Funding Account” in the DIP Term Loan Agreement and referred to herein as the “DIP Term Loan Cash Collateral Account” over which the DIP Term Loan Agent shall have a first priority security interest and springing dominion and control (the “Account Security Interest”). The only amounts permitted to be deposited into the DIP Term Loan Cash Collateral Account shall be proceeds of the Initial Term Loans and the

Delayed Draw Term Loans advanced under the DIP Term Loan Agreement. Notwithstanding anything to the contrary in this Final Order, in the Intercreditor Agreement, the DIP Term Loan Agreement or the ABL DIP Agreement, funds deposited in such DIP Term Loan Cash Collateral Account by the DIP Term Loan Lenders shall constitute Term Loan Primary Collateral. Upon entry of the Interim Order, the Account Security Interest shall have been automatically assigned to the DIP Term Loan Agent, for the benefit of itself and the DIP Term Loan Lenders, and none of the DIP ABL Agent, the DIP ABL Co-Collateral Agent, and/or the DIP ABL Lenders (in their capacities as such) shall have any right of setoff, charge, withdrawal, deduction or any other right, in or against the funds in such DIP Term Loan Cash Collateral Account.

29. Maintenance of DIP Collateral. Until the indefeasible payment in full of all DIP Obligations, all Prepetition Secured Obligations, and the termination of the DIP Agents and the DIP Lenders' obligation to extend credit under the DIP Facilities, the Debtors shall: (a) insure the DIP Collateral as required under the DIP Facilities or the Prepetition Documents, as applicable; and (b) maintain the cash management system in effect as of the Petition Date, as modified by any order that may be entered by the Court which has first been agreed to by the DIP Agents or as otherwise required by the DIP Documents.

30. Disposition of DIP Collateral. The Debtors shall not sell, transfer, lease, encumber or otherwise dispose of any portion of the DIP ABL Primary Collateral or Prepetition Revolver Primary Collateral other than in the ordinary course of business without the prior written consent of the DIP ABL Agent and Prepetition Revolver Agent (and no such consent shall be implied, from any other action, inaction or acquiescence by the DIP ABL Agent, DIP ABL Lenders, or Prepetition Revolver Parties, or from any order of this Court), except as otherwise provided for in the DIP ABL Documents or otherwise ordered by the Court, and

subject to the Intercreditor Agreement. The Debtors shall not sell, transfer, lease, encumber or otherwise dispose of any portion of the DIP Term Loan Primary Collateral or Prepetition Term Loan Primary Collateral other than in the ordinary course of business without the prior written consent of the DIP Term Loan Agent and Prepetition Term Loan Agent (and no such consent shall be implied, from any other action, inaction or acquiescence by the DIP Term Loan Agent, DIP Term Loan Lenders, or Prepetition Term Loan Parties, or from any order of this Court), except as otherwise provided for in the DIP Term Loan Documents or otherwise ordered by the Court, and subject to the Intercreditor Agreement.

31. DIP Termination Date. On the applicable DIP Termination Date (as defined herein), (a) all applicable DIP Obligations shall be immediately due and payable, all commitments to extend credit under the applicable DIP Facilities will terminate, other than as required in paragraph 40 with respect to the Carve Out, all treasury management and bank product obligations shall be cash collateralized, and all letters of credit and bankers' acceptances outstanding shall be cash collateralized in an amount equal to 105% of the face amount thereof, and such cash collateral shall not be subject to or subordinate to the Carve Out, and (b) all authority to use Cash Collateral shall cease, *provided* that during the Remedies Notice Period (as defined herein), the Debtors may use Cash Collateral to pay payroll and other expenses critical to the administration of the Debtors' estates in accordance with the Budget. For the purposes of this Final Order, the "DIP Termination Date" shall mean the "Maturity Date" as defined in the DIP ABL Agreement and the "Loan Maturity Date" as defined in the DIP Term Loan Agreement, as applicable.

32. Events of Default. The occurrence of any of the following events, unless waived by the DIP Agents in writing and in accordance with the terms of the DIP ABL

Agreement and the DIP Term Loan Agreement, 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 orders of the Canadian Court, or (b) the occurrence of an “Event of Default” under the DIP ABL Agreement or the DIP Term Loan Agreement. The commencement of an auction for the Assets or the Reorganized Global Holdings Interests at a Baseline Bid (as such terms are defined in the *Bidding Procedures For The Transfer Of The Debtors’ Assets Or Reorganized Global Holdings Interests*) that is not acceptable to the Tranche B Lenders shall constitute an “Event of Default” under the DIP Term Loan Agreement.

33. Milestones. As a condition to the DIP Facilities and the use of Cash Collateral, the Debtors shall comply with the Case milestones set forth on Exhibit 1 attached hereto (the “DIP ABL Milestones”) and on Exhibit 2 attached hereto (the “DIP Term Loan Milestones,” and together with the DIP ABL Milestones, the “Milestones”). For the avoidance of doubt, the failure of the Debtors to comply with any of the Milestones (a) shall constitute an Event of Default under the DIP ABL Agreement (with respect to the DIP ABL Milestones), the DIP Term Loan Agreement (with respect to the DIP Term Loan Milestones), and hereunder, (b) subject to the expiration of the Remedies Notice Period (as defined below), result in the automatic termination of the Debtors’ authority to use Cash Collateral under this Final Order, and (c) permit the DIP Agents, subject to Paragraph 34, to exercise the rights and remedies provided for in this Final Order, DIP ABL Documents, and the DIP Term Loan Documents.

34. Rights and Remedies Upon Event of Default. Immediately upon the occurrence and during the continuation of an Event of Default under either the DIP ABL Documents or 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 (a) each DIP Agent may declare (any such declaration shall be referred to herein as a "Termination Declaration") (1) all DIP Obligations owing under the respective DIP 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 respective DIP Facilities, (3) termination of the respective DIP Credit Facilities and the respective DIP Documents as to any future liability or obligation of the applicable DIP Agents and the DIP Lenders, but without affecting any of the DIP Liens or the DIP Obligations, and (4) that the application of the Carve Out has occurred through the delivery of the Carve Out Trigger Notice to the Borrower; and (b) either the DIP ABL Agent (in the case of Cash Collateral of proceeds of the DIP Revolver Primary Collateral) or the DIP Term Loan Agent (in the case of Cash Collateral of proceeds of the DIP Term Loan Primary Collateral) may declare a termination, reduction or restriction on the ability of the Debtors to use Cash Collateral (the date which is the earliest to occur of any such date a Termination Declaration is delivered and the DIP Termination Date 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 and the Canadian Debtor, counsel to the DIP ABL Agent (if delivered by the DIP Term Loan Agent), counsel to the DIP Term Loan Agent (if delivered by the DIP ABL Agent), counsel to the Creditors' Committee, and the U.S. Trustee. The automatic stay in the Cases otherwise applicable to the DIP Agents, the DIP Lenders and the Prepetition Secured Parties is hereby modified so that five (5) business days after the date a Termination Declaration is delivered (the "Remedies Notice Period"): (A) the applicable DIP Agent and the DIP Lenders shall be entitled to exercise their rights and remedies in accordance

with the respective DIP Documents and this Final Order and shall be permitted to satisfy the relevant DIP Obligations, DIP Superpriority Claim and DIP Liens, subject to the Carve Out Priority Scheme, (B) the applicable Prepetition Secured Parties shall be entitled to exercise their rights and remedies to satisfy the relevant Prepetition Secured Obligations, Adequate Prepetition Superpriority Claims and Prepetition Adequate Protection Liens, subject to and consistent with (i) the Carve Out Priority Scheme and (ii) this Final Order. During the Remedies Notice Period, the Debtors and/or the Creditors' Committee shall be entitled to seek an emergency hearing within the Remedies Notice Period with the Court for the sole purpose of contesting whether an Event of Default has occurred and/or is continuing, and the Debtors hereby waive their right to and shall not be entitled to seek relief, including, without limitation, under Section 105 of the Bankruptcy Code, to the extent that such relief would in any way impair or restrict the rights and remedies of the DIP Agents, the DIP Lenders, or the Prepetition Secured Parties. Unless the Court orders otherwise, the automatic stay, as to all of the DIP Agents, DIP Lenders, and Prepetition 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 Agents, DIP Lenders, the Prepetition Revolver Parties and the Prepetition Term Loan Parties shall be permitted to exercise all remedies set forth herein, in the DIP Documents, the Prepetition Documents, and as otherwise available at law without further order of or application or motion to the Court consistent with the Intercreditor Agreement. If the Event of Default is a Specified Sale Process Default under the DIP ABL Documents, unless the Court has entered an order within the Remedies Notice Period determining that a Specified Sale Process Default has not occurred and/or is not continuing, the DIP ABL Agent may direct the Debtors to commence a process for a full-chain liquidation (the "Agreed Full-Chain Sale Process"), at which time the Debtors must

(1) within one business day after the Remedies Notice Period, obtain entry of an order from the Court, in form and substance approved by the DIP Agents, designating a liquidating stalking horse bidder and approving sales procedures with respect to a full-chain liquidation, (2) within three business days after the Remedies Notice Period, complete an auction for the full-chain liquidation and declare a “successful bidder” for the liquidation on terms and conditions consented to by the DIP ABL Agent, and (3) within five business days after the Remedies Notice Period, obtain entry of an order from the Court, in form and substance approved by the DIP ABL Agent, approving the store liquidation and commence a full-chain liquidation pursuant to the approved liquidation agreement and the applicable Court sale orders. Until such time as the Agreed Full Chain Sale Process is complete and the proceeds (solely to the extent constituting DIP ABL Primary Collateral) have been remitted to the DIP ABL Agent for the benefit of the DIP ABL Lenders, any exercise of remedies by the DIP Agents and the DIP Lenders shall be in accordance with the Intercreditor Agreement.

35. Good Faith Under Section 364(e) of the Bankruptcy Code; No Modification or Stay of this Final Order. The DIP Agents, DIP Lenders, the Prepetition Revolver Parties and the Prepetition Term Loan Parties have acted in good faith in connection with the Interim Order 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 and Final Hearings, and in accordance with section 364(e) of the Bankruptcy Code, in the event any or all of the provisions of this Final Order are hereafter modified, amended or vacated by a subsequent order of this Court or any other court, the DIP Agents, the DIP Lenders, Prepetition Revolver Parties and the Prepetition Term Loan 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 authorized or created hereby.

36. DIP and Other Expenses. The Debtors are authorized and directed to pay all reasonable and documented prepetition and postpetition fees and expenses of the DIP Agents and DIP Lenders as set forth herein in connection with the DIP Facilities, as provided in the DIP Documents, whether or not the transactions contemplated hereby are consummated, including attorneys' fees, monitoring and appraisal fees, financial advisory fees, fees and expenses of other consultants, and indemnification and reimbursement of fees and expenses. Payment of all such fees and expenses shall not be subject to allowance by the Court. Professionals for the DIP Agents and DIP Lenders shall not be required to comply with the U.S. Trustee fee guidelines, however any time that such professionals seek payment of fees and expenses from the Debtors, each professional shall provide copies of its fee and expense statements or invoices (which may be 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 the U.S. Trustee and counsel for the Creditors' Committee contemporaneously with the delivery of such fee and expense statements to the Debtors of a written invoice (subject in all respects to applicable privilege or work product doctrines) and provided no objection has been raised within ten (10) days, the Debtors are authorized to pay such expenses, and to the extent there is an objection and the objection cannot be consensually resolved, it shall be presented to the Court for resolution. No attorney or advisor to the DIP

Agents or DIP Lenders shall be required to file an application seeking compensation for services or reimbursement of expenses with the Court. Any and all fees, costs, and expenses paid prior to the Petition Date by any of the Debtors to the DIP Agents or DIP Lenders in connection with or with respect to the DIP Facilities, are hereby approved in full.

37. Indemnification. The Debtors shall indemnify and hold harmless the DIP Agents and the DIP Lenders in accordance with the terms and conditions of the DIP Agreements.

38. Proofs of Claim. The DIP Agents, the DIP Lenders, the Prepetition Revolver Parties and the Prepetition Term Loan 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, each of (a) the Prepetition Revolver Agent on behalf of itself and the Prepetition Revolver Parties and (b) the Prepetition Term Loan Agent on behalf of itself and the Prepetition Term Loan Parties is hereby authorized and entitled, in its sole discretion, but not required, to file (and amend and/or supplement, as it sees fit) a proof of claim and/or aggregate proofs of claim in each of the Cases or Successor Cases for any claim allowed herein. Any proof of claim filed by the Prepetition Revolver Agent or Prepetition Term Loan Agent shall be deemed to be in addition to and not in lieu of any other proof of claim that may be filed by any of the Prepetition Revolver Parties or Prepetition Term Loan Parties, respectively. Any order entered by the Court in relation to the establishment of a bar date in any of the Cases or Successor Cases shall not apply to any claim of the DIP Agents, the DIP Lenders, the Prepetition Revolver Parties and the Prepetition Term Loan Parties.

39. Rights of Access and Information. Without limiting the rights of access and information afforded the DIP Agents and DIP Lenders under the DIP Documents, the Debtors shall be, and hereby are, required to afford representatives, agents and/or employees of the DIP Agents, DIP Lenders, the Prepetition Revolver Parties and the Prepetition Term Loan Parties reasonable access to the Debtors' premises and their books and records in accordance with the DIP Documents and Prepetition Documents, as applicable, and shall reasonably cooperate, consult with, and provide to such persons all such information as may be reasonably requested. In addition, the Debtors authorize their independent certified public accountants, financial advisors, investment bankers and consultants (including liquidation consultants), including (a) AlixPartners LLP and (b) Jefferies LLC to cooperate, consult with, and provide to the DIP Agents (and so long as an Event of Default has occurred and is continuing, each DIP Lender), the Prepetition Revolver Agent and the Prepetition Term Loan Agent all such information as may be reasonably requested with respect to the business, results of operations and financial condition of any of the Borrower or Guarantors (as defined in the DIP Documents).

40. 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 (without regard to the notice set forth in (iii) below); (ii) all reasonable fees and expenses up to \$50,000 incurred by a trustee under section 726(b) of the Bankruptcy Code (without regard to the notice set forth in (iii) below); (iii) to the extent allowed at any time, whether by interim 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 either the DIP ABL Agent or the 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 (iv) Allowed Professional Fees of Professional Persons in an aggregate amount not to exceed \$2,000,000 incurred after the first business day following delivery by such DIP ABL Agent or 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”). For purposes of the foregoing, “Carve Out Trigger Notice” shall mean a written notice delivered by email (or other electronic means) by either the DIP ABL Agent or the 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 ABL Obligations or the DIP Term Loan Obligations under the DIP ABL Credit Facilities or DIP Term Loan Facility, respectively, stating that the Post-Carve Out Trigger Notice Cap has been invoked.

(b) *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 a draw request and notice of borrowing by the Debtors for DIP Term Loans under the DIP Term Loan Facility (on a pro rata basis based on the then outstanding commitments under the DIP Term Loan Credit Agreement (the “DIP Term Loan

Commitments”)), in an amount equal to the then unpaid amounts of the Allowed Professional Fees (any such amounts actually advanced shall constitute DIP Term Loans), and (ii) also constitute a demand to the Debtors to utilize all cash in the DIP Term Loan Cash Collateral Account as of such date and any available cash thereafter held in the DIP Term Loan Cash Collateral Account by any Debtor to fund a reserve in an amount equal to the then unpaid amounts of the Allowed Professional Fees. The Debtors shall deposit and hold such amounts in a segregated account at a financial institution to be agreed in trust to pay such then unpaid Allowed Professional Fees (the “Pre-Carve Out Trigger Notice Reserve”) prior to any and all other claims. On the Termination Declaration Date, the Carve Out Trigger Notice shall also be deemed a request by the Debtors for DIP ABL Loans under the DIP ABL Credit Facilities (on a pro rata basis based on the then outstanding DIP ABL Credit Commitments), in an amount equal to the Post-Carve Out Trigger Notice Cap (any such amounts actually advanced shall constitute DIP ABL Loans). The Debtors shall deposit and hold such amounts in a segregated account at the DIP ABL Agent in trust 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”) prior to any and all other claims. On the first business day after the DIP ABL Agent or the DIP Term Loan Agent gives such notice to such DIP ABL Lenders or DIP Term Loan Lenders, notwithstanding anything in the DIP ABL Agreement or the DIP Term Loan Agreement to the contrary, including with respect to the existence of a Default (as defined in the DIP ABL Agreement and/or the DIP Term Loan Agreement) or an Event of Default (as defined herein, in the DIP ABL Agreement, and/or in the DIP Term Loan Agreement), the failure of the Debtors to satisfy any or all of the conditions precedent for DIP ABL Loans under the DIP ABL Credit Facilities or for DIP Term

Loans under the DIP Term Loan Facility, any termination of the DIP ABL Credit Commitments or DIP Term Loan Commitments following an Event of Default (as defined herein, in the DIP ABL Agreement, and/or in the DIP Term Loan Agreement), or the occurrence of the DIP Termination Date, (a) each DIP ABL Lender with an outstanding DIP ABL Credit Commitment (on a pro rata basis based on the then outstanding DIP ABL Credit Commitments) shall make available to the DIP ABL Agent such DIP ABL Lender's pro rata share of the Post-Carve Out Trigger Notice Cap with respect to such borrowing in accordance with the DIP ABL Credit Facilities and (b) each DIP Term Loan Lender with an outstanding DIP Term Loan Commitment (on a pro rata basis based on the then outstanding DIP Term Loan Commitments) shall make available to the DIP Term Loan Agent such DIP Term Loan Lender's pro rata share with respect to such borrowing in accordance with the DIP Term Loan Facility. All funds in the Pre-Carve Out Trigger Notice Reserve shall be used first to pay the obligations set forth in clauses (i) through (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, until paid in full, and then, to the extent the Pre-Carve Out Trigger Notice Reserve has not been reduced to zero, to pay the DIP Term Loan Agent for the benefit of the DIP Term Loan Lenders, unless the DIP Term Loan Obligations have been indefeasibly paid in full, in cash, and all DIP Term Loan Commitments have been terminated, in which case any such excess shall be paid to the Prepetition Secured Parties in accordance with their rights and priorities as of the Petition Date. All funds in the Post-Carve Out Trigger Notice Reserve 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"), and then, to the extent the Post-Carve Out Trigger Notice Reserve has not been reduced to zero, to pay the DIP ABL Agent for the benefit of the DIP ABL Lenders, unless the

DIP ABL Obligations have been indefeasibly paid in full, in cash, and all DIP ABL Credit Commitments have been terminated, in which case any such excess shall be paid to the Prepetition Secured Parties in accordance with their rights and priorities as of the Petition Date. Notwithstanding anything to the contrary in the DIP ABL Documents, the DIP Term Loan Documents, the Interim Order, or this Final Order, if either of the Carve Out Reserves is not funded in full in the amounts set forth in this paragraph 40, 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, up to the applicable amount set forth in this paragraph 40, prior to making any payments to either DIP Agent or the Prepetition Secured Parties, as applicable. Notwithstanding anything to the contrary in the DIP ABL Documents, DIP Term Loan Documents, the Interim Order, or this Final Order, following two business days after delivery of a Carve Out Trigger Notice, the DIP ABL Agent and Prepetition Revolver 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 Post-Carve Out Trigger Notice Reserve has been fully funded, but shall have a security interest in any residual interest in the Carve Out Reserves, with any excess paid to the DIP ABL Agent and the DIP Term Loan Agent for application in accordance with the DIP ABL Documents and the DIP Term Loan Documents, respectively. Further, notwithstanding anything to the contrary in this Final Order, (i) disbursements by the Debtors from the Carve Out Reserves shall not constitute “Loans” (as defined in the DIP ABL Agreement or the DIP Term Loan Agreement) or increase or reduce the DIP ABL Obligations or DIP Term Loan Obligations, (ii) the failure of the Carve Out Reserves to satisfy in full the Allowed Professional Fees shall not affect the priority of the Carve Out, and (iii) subject to the Limited Amount set forth in paragraph 41, in no way shall the

Budget, Carve Out, Post-Carve Out Trigger Notice Cap, Carve Out Reserves, or any of the foregoing be construed as a cap or limitation on the amount of the Allowed Professional Fees of the Professional Persons due and payable from proceeds of the DIP Facilities or Cash Collateral. For the avoidance of doubt and notwithstanding anything to the contrary herein, in the DIP ABL Credit Facilities, the DIP Term Loan Facility, or in any Prepetition Secured Facilities, (A) the amounts set forth in clauses (i), (ii), and (iv) of the definition of “Carve Out” shall be senior to all liens and claims securing the DIP ABL Credit Facilities or the DIP Term Loan Facility, the Adequate Protection Liens, and the Adequate Protection Superpriority Claims, and any and all other forms of adequate protection, liens, or claims securing the DIP ABL Obligations, the DIP Term Loan Obligations, or the Prepetition Secured Obligations and (B) the amounts set forth in clause (iii) of the definition of “Carve Out” shall be (x) senior to all liens and claims securing the DIP Term Loan Facility, the Prepetition Term Loan Adequate Protection Liens, and the Prepetition Term Loan Superpriority Claim, and any and all other forms of adequate protection, liens, or claims securing the DIP Term Loan Obligations or the Prepetition Term Loan Obligations and (y) junior to all liens and claims securing the DIP ABL Credit Facilities, the Prepetition Revolver Adequate Protection Liens, and the Prepetition Revolver Superpriority Claim, and any and all other forms of adequate protection, liens, or claims securing the DIP ABL Obligations or the Prepetition Revolver Obligations, except, in each case of this clause (y), for any liens on the Prepetition Term Loan Primary Collateral and/or the DIP Term Loan Primary Collateral (as set forth in clauses (A) and (B), the “Carve Out Priority Scheme”).

(c) *No Direct Obligation To Pay Allowed Professional Fees.* The DIP Agents, the DIP Lenders and the Prepetition 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 Agents, the DIP Lenders or the Prepetition 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.

(d) *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.

(e) *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 and/or the DIP Term Loan Obligations, as applicable, secured by the DIP Collateral and shall be otherwise entitled to the protections granted under this Final Order, the DIP ABL Documents, the DIP Term Loan Documents, the Bankruptcy Code, and applicable law.

41. Limitations on Use of DIP Proceeds, Cash Collateral and Carve Out.

The DIP Facilities, 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 Agents', the DIP Lenders', the Prepetition Secured Parties' enforcement or realization upon any of the DIP Collateral or Prepetition Collateral; (b) using or seeking to use Cash Collateral or selling or otherwise disposing of DIP Collateral without the consent of the DIP Agents; (c) using

or seeking to use any insurance proceeds constituting DIP Collateral without the consent of the DIP Agents; (d) incurring Debt (as defined in the DIP ABL Agreement) or Indebtedness (as defined in the DIP Term Loan Agreement) without the prior consent of the DIP Agents, except to the extent permitted under the DIP Agreements; (e) seeking to amend or modify any of the rights granted to the DIP Agents, the DIP Lenders, or the Prepetition Secured Parties under this Final Order, the DIP Documents, or the Prepetition 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 Liens, DIP Obligations, Prepetition Liens, Prepetition Secured 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 Agents, the DIP Lenders, or the Prepetition 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 Agents, the DIP Lenders, the Prepetition 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 Obligations, the DIP Liens, the Prepetition Liens, Prepetition Secured Obligations or any other rights or interests of any of the DIP Agents, the DIP Lenders, the Prepetition Secured Parties; or (i) seeking to subordinate (whether equitably or otherwise), recharacterize, disallow or avoid the DIP Obligations or the Prepetition Secured Obligations or any claims arising therefrom, whether pursuant to the Bankruptcy Code or applicable non-bankruptcy law; *provided* that the Carve Out and such collateral proceeds and loans under the DIP Documents may be used for allowed fees

and expenses, in an amount not to exceed \$100,000 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 Liens within sixty (60) calendar days following the entry of this Final Order (the "Limited Amount").

42. 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 Agents, the DIP Lenders, or the Prepetition Secured Parties to object to the allowance and payment of such fees and expenses. So long as an unwaived Event of Default has not occurred, the Debtors shall be permitted to pay fees and expenses allowed and payable by final order (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 Budget provided by the Debtors to the DIP Agents.

43. Effect of Stipulations on Third Parties.

(a) *Generally.* The admissions, stipulations, agreements, releases, and waivers set forth in this Final Order (collectively, the "Prepetition Lien and Claim Matters") are and shall be binding 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 official committee that may be appointed in these cases, unless, and solely to the extent that, (i) a party in interest with standing and requisite authority (other than the Debtors, as to which any Challenge (as defined below) is irrevocably waived and relinquished) has timely filed the appropriate pleadings, and timely commenced the appropriate proceeding required under the Bankruptcy Code and Bankruptcy Rules, including, without limitation, as required pursuant to Part VII of the

Bankruptcy Rules (in each case subject to the limitations set forth in paragraph 43 of this Final Order) challenging the Prepetition Lien and Claim Matters (each such proceeding or appropriate pleading commencing a proceeding or other contested matter, a “Challenge”) by no later than 60 days from the date of this Final Order (the “Challenge Deadline”), as such applicable date may be extended in writing from time to time in the sole discretion of the Prepetition Revolver Agent (with respect to the Prepetition Revolver Documents) and the Prepetition Term Loan Agent (with respect to the Prepetition Term Loan Documents), or by this Court for good cause shown pursuant to an application filed by a party in interest prior to the expiration of the Challenge Deadline, and (ii) this Court enters judgment in favor of the plaintiff or movant in any such timely and properly commenced Challenge proceeding and any such judgment has become a final judgment that is not subject to any further review or appeal. If the Creditors’ Committee has not been granted standing by the Challenge Deadline, but has filed a motion for standing and approval to file a Challenge (with a draft complaint attached thereto) by the Challenge Deadline, such party shall be deemed to have timely met the Challenge Deadline.

(b) *Binding Effect.* To the extent no Challenge is timely and properly commenced by the Challenge Deadline, or to the extent such proceeding does not result in a final and non-appealable judgment or order of this Court that is inconsistent with the Prepetition Lien and Claim Matters, then, without further notice, motion, or application to, order of, or hearing before, this Court and without the need or requirement to file any proof of claim, the Prepetition Lien and Claim Matters shall, pursuant to this Final Order, become binding, conclusive, and final on any person, entity, or party in interest in the Cases, and their successors and assigns, and in any Successor Case for all purposes and shall not be subject to challenge or objection by any party in interest, including, without limitation, a trustee, responsible individual, examiner with

expanded powers, or other representative of the Debtors' estates. Notwithstanding anything to the contrary herein, if any such proceeding is properly and timely commenced, the Prepetition Lien and Claim Matters shall nonetheless remain binding on all other parties in interest and preclusive as provided in subparagraph (i) above except to the extent that any of such Prepetition Lien and Claim Matters is expressly the subject of a timely and properly filed Challenge, which Challenge is successful as set forth in a final judgment as provided in paragraph 43(a)(ii), and only as to plaintiffs or movants that have complied with the terms hereof.

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

45. Section 506(c) Claims. 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, the Prepetition Secured Parties, 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, Prepetition Revolver Parties or Prepetition Term Loan Parties, as applicable, and no such consent shall be implied from any other action, inaction, or acquiescence by any such agents or lenders.

46. No Marshaling/Applications of Proceeds. The DIP Agents, DIP Lenders, and Prepetition 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 and the DIP Documents notwithstanding any other agreement or provision to the contrary.

47. Section 552(b). The Prepetition Secured Parties shall each be entitled to all of the rights and benefits of section 552(b) of the Bankruptcy Code, and the “equities of the case” exception under section 552(b) of the Bankruptcy Code shall not apply to the Prepetition Secured Parties, with respect to proceeds, product, offspring or profits of any of the Prepetition Collateral.

48. Access to DIP Collateral. Notwithstanding anything contained herein to the contrary and without limiting any other rights or remedies of the DIP Agents exercisable on behalf of the DIP ABL Lenders and DIP Term Loan Lenders, respectively, contained in this Final Order, the DIP ABL Documents, the DIP Term Loan Documents, or otherwise available at law or in equity, and subject to the terms of the DIP ABL Documents and DIP Term Loan Documents, upon written notice to the landlord of any leased premises that an Event of Default or the Termination Date has occurred and is continuing, the DIP ABL Agent or DIP Term Loan Agent, as applicable, may, subject to the applicable notice provisions, if any, in this Final Order and any separate applicable agreement by and between such landlord and the DIP ABL Agent or DIP Term Loan Agent, enter upon any leased premises of the Debtors or any other party for the purpose of exercising any remedy with respect to DIP Collateral located thereon and shall be entitled to all of the Debtors’ rights and privileges as lessee under such lease without interference from the landlords thereunder, *provided* that the DIP ABL Agent and/or DIP Term Loan Agent, as applicable, shall be obligated only to pay rent of the Debtors that first accrues after the written notice referenced above and that is payable during the period of such occupancy by the DIP ABL Agent and/or DIP Term Loan Agent, as applicable, calculated on a daily per diem basis.

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. For the avoidance of doubt, subject to (and without waiver of) the rights of the DIP Agents, DIP Lenders, and/or the applicable landlords under applicable nonbankruptcy law, the DIP Agents and/or DIP Lenders can only enter upon a leased premises after an Event of Default in accordance with (a) a separate agreement with the landlord at the applicable leased premises, or (b) upon entry of an order of this Court obtained by motion of the DIP Agents and/or DIP Lenders on such notice to the landlord as shall be required by this Court.

49. Limits on Lender Liability. Nothing in this Final Order or in any of the DIP ABL Documents, DIP Term Loan Documents, Prepetition Documents, or any other documents related thereto shall in any way be construed or interpreted to impose or allow the imposition upon the DIP Agents, the DIP Lenders or the Prepetition Secured Parties of any liability for any claims arising from any activities by the Debtors in the operation of their businesses or in connection with the administration of these Cases. The DIP Agents, the DIP Lenders and the Prepetition Secured Parties 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 (as such terms, or any similar terms, are used in the United States Comprehensive Environmental Response, Compensation and Liability Act, 29 U.S.C. §§ 9601 *et seq.*, as amended, or any similar federal or state statute). Nothing in this Final Order, the DIP ABL Documents, or the DIP Term Loan Documents, shall in any way be construed or interpreted to impose or allow the imposition upon the DIP Agents, the DIP Lenders, the DIP Term Loan Secured Parties, or any of the Prepetition Secured Parties of any

liability for any claims arising from the prepetition or postpetition activities of any of the Debtors.

50. Insurance Proceeds and Policies. Upon entry of this Final Order and to the fullest extent provided by applicable law, the DIP ABL Agent (on behalf of the DIP ABL Lenders), the DIP Term Loan Agent (on behalf of the DIP Term Loan Lenders), the Prepetition Revolver Agent (on behalf of the Prepetition Revolver Lenders), and the Prepetition Term Loan Agent (on behalf of the Prepetition Term Loan Lenders), shall be, and shall be deemed to be, without any further action or notice, named as additional insured and loss payee on each insurance policy maintained by the Debtors that in any way relates to the DIP Collateral.

51. Joint and Several Liability. Nothing in this Final Order shall be construed to constitute a substantive consolidation of any of the Debtors' estates, it being understood, however, that the Borrower and Guarantors shall be jointly and severally liable for the obligations hereunder and all DIP Obligations in accordance with the terms hereof and of the DIP Facilities and the DIP Documents.

52. Local Rule 4001-2(k)(3). Notwithstanding anything in this Final Order to the contrary, this Final Order shall be subject to Local Rule 4001-2(k)(3), and the Court and all parties in interest reserve all rights in connection therewith.

53. Rights Preserved. 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: (a) the DIP Agents', DIP Lenders', and Prepetition 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 Agents, DIP Lenders and/or Prepetition 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 Intercreditor Agreement, any other rights, claims or privileges (whether legal, equitable or otherwise) of any of the DIP Agents, DIP Lenders or Prepetition 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', a 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.

54. No Waiver by Failure to Seek Relief. The failure of the DIP Agents, DIP Lenders or Prepetition Secured Parties to seek relief or otherwise exercise their rights and remedies under this Final Order, the DIP Documents, the Prepetition 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 Agent, DIP Lenders, Prepetition Secured Parties, Creditors' Committee or any party in interest.

55. Binding Effect of Final Order. Immediately upon execution by this Court, the terms and provisions of this Final Order shall become valid and binding upon and inure to the benefit of the Debtors, DIP Agents, DIP Lenders, Prepetition Secured Parties, all other creditors of any of the Debtors, the Creditors' Committee (or any other court appointed committee), 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.

56. No Modification of Final Order. Until and unless the DIP Obligations and the Prepetition Secured Obligations have been indefeasibly paid in full in cash, and all letters of credit under the DIP Facilities shall have been cancelled, backed, or cash collateralized in accordance with the terms thereof (such payment being without prejudice to any terms or provisions contained in the DIP Facilities which survive such discharge by their terms), and all commitments to extend credit under the DIP Facilities 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 Agents (or the Prepetition Agents) and the Specified Requisite DIP Term Loan Lenders, (i) any 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 Superpriority Claims or Adequate Protection Superpriority Claims, other than the Carve Out subject to the Carve Out Priority Scheme; (b) without the prior written consent of the DIP Agents (or the Prepetition Agents) and the Specified Requisite DIP Term Loan Lenders (or the Existing Tranche A Lenders) for 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 Agents and the Specified Requisite DIP Term Loan Lenders, any lien on any of the DIP Collateral with priority equal or superior to the DIP Liens, except as specifically provided in the DIP Documents; or (d) without the prior written consent of

the Prepetition Agents and the Existing Tranche A Lenders, any lien on any of the DIP Collateral with priority equal or superior to the Prepetition Liens or Adequate Protection Liens. 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 Agents (or the Prepetition Agents) and the Specified Requisite DIP Term Loan Lenders, and no such consent shall be implied by any other action, inaction or acquiescence of the DIP Agents or the Prepetition Agents or the Specified Requisite DIP Term Loan Lenders. Notwithstanding anything to the contrary contained in this paragraph 56, the consent of the Roll-Up Requisite Lenders (as such term is defined in the DIP Term Loan Agreement) shall not be required to modify the Milestones, if such consent is not required pursuant to the term of the DIP Term Loan Agreement (including, without limitation, the proviso set forth in Section 10.5(c)(iii) thereof).

57. Continuing Effect of Intercreditor Agreement. The Debtors, DIP Agents, DIP Lenders and Prepetition Secured Parties each shall be bound by, and in all respects of the DIP Facilities shall be governed by, and be subject to all the terms, provisions and restrictions of the Intercreditor Agreement, except as may be expressly modified by this Final Order.

58. Final Order Controls. In the event of any inconsistency between the terms and conditions of the DIP Documents, the Interim Order and of this Final Order, the provisions of this Final Order shall govern and control.

59. Discharge. The DIP ABL Obligations, 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 ABL Agent, DIP Term Loan Agent, DIP ABL Lenders, and DIP Term Loan Lenders, and each of the Prepetition Revolver Agent and the Prepetition Term Loan Lenders, as applicable, has otherwise agreed in writing. The Debtors' proposal or support of 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 ABL Obligations (in the case of the sale of DIP ABL Primary Collateral) and DIP Term Loan Obligations (in the case of the sale of DIP Term Loan Primary Collateral), 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), or the entry of an order with respect thereto, shall constitute an Event of Default hereunder and under the DIP ABL Documents and DIP Term Loan Documents.

60. Survival. The provisions of this Final Order and any actions taken pursuant 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 this Final Order, including the claims, liens, security interests and other protections granted to the DIP Agents, DIP Lenders, and Prepetition Secured Parties granted pursuant to this Final Order and/or the DIP Documents, notwithstanding the entry of any such order, 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 this Final Order until: (i) in

respect of the DIP ABL Credit Facilities, all the DIP ABL Obligations, pursuant to the DIP ABL Documents and this Final Order, have been indefeasibly paid in full in cash and all letters of credit under the DIP ABL Credit Facilities shall have been cancelled or cash collateralized in accordance with the terms thereof (such payment being without prejudice to any terms or provisions contained in the DIP ABL Credit Facilities which survive such discharge by their terms), and all commitments to extend credit under the DIP ABL Credit Facilities are terminated; (ii) in respect of the Prepetition Revolver Facility, all of the Prepetition Revolver Obligations pursuant to the Prepetition Revolver Documents and this Final Order, have been indefeasibly paid in full in cash; (iii) in respect of the DIP Term Loan Credit Facility, all the DIP Term Loan Obligations, pursuant to the DIP Term Loan Documents and this Final Order, have been indefeasibly paid in full in cash; and (iv) in respect of the Prepetition Term Loan Agreement, all of the Prepetition Term Loan Obligations pursuant to the Prepetition Term Loan Documents and this Final Order have been indefeasibly paid in full in cash. The terms and provisions concerning the indemnification of the DIP Agents and DIP Lenders shall continue in the Cases, in any Successor Cases, following dismissal of the Cases or any Successor Cases, following termination of the DIP Documents and/or the indefeasible repayment of the DIP Obligations. In addition, the terms and provisions of this Final Order shall continue in full force and effect for the benefit of the Prepetition Term Loan Parties notwithstanding the repayment in full of or termination of the DIP ABL Obligations or the Prepetition Revolver Obligations.

61. Payment in Full in Cash of Roll-Up Term Loan DIP Obligations.

Subject to paragraph 34 above, without the consent of the Roll-Up Lenders, it shall be an Event of Default under the DIP Term Loan Credit Agreement (which Event of Default shall not be amended, modified or waived without the consent of the Roll-Up Lenders) if the Debtors

propose, adopt, support, consummate or effect any plan of reorganization, plan of liquidation, sale, structured dismissal or any other resolution of the Cases, in each case, in respect of the Term Loan Priority Collateral (“Case Resolutions”), and neither the DIP Term Loan Agent nor the Tranche B Lenders shall support or agree to any such Case Resolution, unless such Case Resolution provides for the payment in full in cash on the effective date thereof of (a) the Roll-Up Term Loan DIP Obligations and other DIP Term Loan Obligations owing to the Roll-Up Lenders and (b) without duplication, the Existing Tranche A Loans (to the extent such Existing Tranche A Loans are allowed secured claims against the Debtors and subject to the challenge rights set forth in this Final Order).

62. Chubb Reservation of Rights. For the avoidance of doubt, (a) to the extent Federal Insurance Company (including its division Chubb & Sons) and/or any of its affiliates (collectively with each of their successors, “Chubb”) had valid and perfected liens and/or security interests on property (including cash collateral) of the Debtors as of the Petition Date, the Debtors may not grant any senior liens and/or security interests in such property to any other party, (b) no other party may have liens and/or security interests on any letter(s) of credit for which Chubb is the beneficiary or on any proceeds thereof, provided that any rights or interest held by the Debtors in respect of excess proceeds, if any, shall constitute Prepetition Collateral (to the extent it was such prior to the Petition Date) and DIP Collateral, and (c) this Order does not grant the Debtors any right to use any property (or the proceeds thereof) held by Chubb as collateral to secure obligations under insurance policies and related agreements.

63. Proceeds of Letter of Credit Provided to XL Insurance. The proceeds of the letter of credit (the “LOC Proceeds”) provided by the Debtors to XL Insurance America, Inc., XL Select Insurance Company, XL Specialty Insurance Company and Greenwich Insurance

Company (individually and collectively, “XL Insurance”) prepetition to secure the Debtors’ obligations to XL Insurance in connection with the workers’ compensation insurance provided by XL Insurance (a) is not, and shall not be considered to be or treated as, Prepetition Collateral, Cash Collateral or DIP Collateral for purposes of this Final Order, and (b) shall not be subject to the DIP Liens and/or the Adequate Protection Liens granted pursuant to this Final Order; provided that any contract rights, reversionary interests, or other rights or interests held by the Debtors in respect of such proceeds shall constitute Prepetition Collateral and DIP Collateral. The rights and obligations of the Debtors and XL Insurance with respect to the LOC Proceeds shall be governed by the terms of the workers’ compensation insurance policies and related agreements entered into between the Debtors and XL Insurance and applicable non-bankruptcy law.

64. Treatment of Proceeds from Sale of Texas Assets. As adequate protection for the claims of the Local Texas Tax Authorities, which are asserted on a secured basis, on or before May 1, 2017, the Debtors will fund a segregated account (the “Local Texas Tax Account”) in the amount of \$144,288.07 from the proceeds of the non-ordinary course sale of any of the Debtors’ assets located in the state of Texas occurring on or after February 28, 2017. The liens asserted by the Local Texas Tax Authorities (and all other liens junior to those of the Local Texas Tax Authorities) shall attach to the Local Texas Tax Account to the same extent and with the same priority as the liens the Local Texas Tax Authorities assert against such assets of the Debtors. The Local Texas Tax Account shall be maintained solely for the purpose of providing adequate protection for the Local Texas Tax Authorities prior to the distribution of any proceeds to any other creditor and shall constitute neither the allowance of the claims of the Local Texas Tax Authorities, nor a floor or cap on the amounts the Local Texas Tax Authorities

may be entitled to receive. All parties' rights to object to the priority, validity, amount, and extent of the claims and liens asserted by the Local Texas Tax Authorities are fully preserved. Funds in the Local Texas Tax Account may be distributed upon agreement between the Local Texas Tax Authorities and the Debtors, with the consent of the DIP Agents, or by subsequent order of the Court, duly noticed to the Local Texas Tax Authorities and the DIP Agents.

65. 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 thereof.

66. Retention of Jurisdiction. The Court has and will retain jurisdiction to enforce the terms of, any and all matters arising from or related to the DIP Facilities, and/or this Final Order.

SO ORDERED by the Court this 28th day of March, 2017.

/S/ Shelley C. Chapman

THE HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

DIP ABL Milestones¹

Each of the following Plan Milestones, Marketing Milestones, Canadian Milestones and other milestones, a “**Required Milestone**” and collectively, the “**Required Milestones**”:

(a) Achieve each of the following milestones (as the same may be extended from time to time with the consent of the Co-Collateral Agents (in their sole and absolute discretion) the “**Plan Milestones**”).

(i) On March 1, 2017, the Debtors shall file a motion seeking approval of (A) the Guggenheim DIP Credit Facility and (B) the facility evidenced by the Loan Agreement.

(ii) On or before March 3, 2017, the Interim Order shall have been entered by the Bankruptcy Court.

(iii) On or before March 25, 2017, the Obligors shall have filed a Chapter 11 plan of reorganization.

(iv) On or before March 30, 2017, the Final Order authorizing and approving the Guggenheim DIP Credit Facility and the facility evidenced by the Loan Agreement and the transactions contemplated thereby on a final basis, in form and substance satisfactory to the Co-Collateral Agents, as confirmed in writing in their sole and absolute discretion, shall have been entered by the Bankruptcy Court.

(v) On or before April 25, 2017, the Obligors shall have filed a disclosure statement for a Chapter 11 plan of reorganization.

(vi) On or before June 15, 2017, the Co-Collateral Agents shall be satisfied (i) that the Chapter 11 plan of reorganization and related disclosure statement filed with respect to the Obligors shall provide for payment in full in cash of the Obligations, the Prior Lender Obligations and the Canadian Obligations on or prior to July 28, 2017, (ii) that such plan shall have the support of the DIP Term Loan Agent and the Tranche B Lenders and shall be supported by committed financing reasonably acceptable to the Co-Collateral Agents, and (iii) that such plan is reasonably anticipated to become effective prior to July 28, 2017 (any such Chapter 11 plan, an “**Acceptable Plan**”).

(vii) On or before July 10, 2017, the Borrower shall have obtained an order from the Bankruptcy Court confirming an Acceptable Plan in form and substance satisfactory to the Co-Collateral Agents, in their sole and absolute discretion.

¹ Capitalized terms used in this **Exhibit 1** have the meanings given to them in the DIP ABL Documents.

(viii) On or before July 28, 2017, the effective date of the Acceptable Plan shall have occurred in accordance with its terms, and the Borrower shall have emerged from Chapter 11.

(b) As part of the plan process outlined in the Plan Milestones set forth in clause (a) (the “**Plan Process**”), the Obligors shall engage in a marketing process designed to ensure the Obligors’ ability to consummate the sale of some or all of Obligors’ assets or new common equity interests in reorganized BCBG Max Azria Global Holdings, LLC (the “**Purchased Assets**”) in connection with consummation of an Approved Plan to the party determined to have made the highest or otherwise best bid at the Auction (the “**Marketing Milestones**”).

(i) On March 1, 2017, the Obligors shall have filed a motion (the “**Bid Procedures Motion**”) with the Bankruptcy Court to approve bid procedures and establish the date of an auction to determine the “**Winning Bidder**” for the Purchased Assets (the “**Auction**”). The Bid Procedures Motion will allow for the selection of a stalking horse bidder and entry into a plan support agreement (which agreement may include asset purchase related provisions with the stalking horse bidder.

(ii) On or before March 10, 2017, the Borrower shall have distributed to the parties identified by an investment banker or other similar consultant (an “**Investment Banker**”) reasonably acceptable to the Co-Collateral Agents informational packages and solicitations for bids, in form and substance reasonably satisfactory to the Co-Collateral Agents, for a sale of the Purchased Assets.

(iii) On or before March 30, 2017, the Bankruptcy Court shall have entered an order approving the Bid Procedures Motion (the “**Bid Procedures Order**”), in form and substance reasonably acceptable to the Co-Collateral Agents. The Bid Procedures Order shall (i) establish a deadline for the submission of non-binding indications of interest for the Purchased Assets (or any subset thereof) of April 7, 2017, (ii) establish a deadline for the submission of binding bids for the Purchased Assets (or any subset thereof) of May 19, 2017, and (iii) provide that a “**Winning Bid**” shall generate amounts sufficient to, and provide for the pay-off of the Obligations, the Prior Lender Obligations and the Canadian Obligations in full in cash.

(iv) On or before April 8, 2017, the Obligors shall provide the Lenders access to all non-binding indications of interest for the Purchased Assets (or any subset thereof) received by the Obligors or the Investment Banker.

(v) On April 17, 2017, the Guggenheim DIP Credit Facility Lenders shall deliver a notice to the Borrower and the Co-Collateral Agents that the “**Pivot Milestone**” (as defined in Section 5.16(b)(v) of the Guggenheim DIP Credit Facility) has been satisfied.

(vi) On or before May 24, 2017, the Obligors shall have commenced the Auction for the Purchased Assets (if qualified bids are received).

(c) On or before March 3, 2017, the Borrower shall have obtained approval from the Bankruptcy Court to retain the Specified Liquidation Agents to assist the Borrower in conducting the Specified Store Closing Sale described in clause (i) of the definition thereof, on terms and conditions, including fee consideration, reasonably satisfactory to the Co-Collateral Agents.

(d) On or before April 30, 2017, the Borrower shall have completed the Specified Store Closing Sale described in clause (i) of the definition thereof, pursuant to the terms of the relevant documentation.

(e) Simultaneously with the plan process outlined in the Plan Milestones set forth in clause (a) and clause (b), the Obligors shall achieve each of the following milestones (as the same may be extended from time to time with the consent of the Co-Collateral Agents in their sole and absolute discretion, the “**Canadian Milestones**”).

(i) On or before March 6, 2017, the Canadian Debtor shall have obtained approval from the Canadian Court to retain the Specified Liquidation Agents to assist the Canadian Debtor in conducting going out of business liquidation sales at the Canadian Debtor’s 51 standalone retail store locations (the “**Canadian Store Closing Sales**”) as described in that certain letter agreement dated on or about February 24, 2017, by and among the Canadian Debtor and the Specified Liquidation Agents, on terms and conditions, including fee considerations, satisfactory to the Co-Collateral Agents.

(ii) On or before March 8, 2017, the Canadian Debtor shall have commenced the Canadian Store Closing Sales.

(iii) On or before May 31, 2017 the Canadian Debtor shall have completed the Canadian Store Closing Sales, pursuant to the terms of the relevant documentation and Canadian Order.

The Borrower shall provide the Co-Collateral Agents with any information or materials reasonably requested by the Co-Collateral Agents in connection with the Borrower’s or the Canadian Debtor’s progress on achieving any Required Milestone.

Exhibit 2

DIP Term Loan Milestones¹

1.1. Milestones.

(a) Achieve each of the following milestones (as the same may be extended from time to time with the consent of the Administrative Agent, the “**Plan Milestones**”).

(i) On March 1, 2017, the Debtors shall file a motion seeking approval of (A) the DIP Term Loan Facility and (B) the DIP ABL Facility.

(ii) On or before March 3, 2017, the Interim Order shall have been entered by the Bankruptcy Court.

(iii) On or before March 25, 2017, the Debtors shall have filed a Chapter 11 plan of reorganization.

(iv) On or before March 30, 2017, the Final Order authorizing and approving the DIP Term Loan Facility and the DIP ABL Facility and the transactions contemplated thereby on a final basis, in form and substance satisfactory to the Requisite Lenders as confirmed in writing in their sole and absolute discretion, shall have been entered by the Bankruptcy Court.

(v) On or before April 25, 2017, the Debtors shall have filed a disclosure statement for a Chapter 11 plan of reorganization.

(vi) On or before May 25, 2017, the Borrower shall have executed an agreement with a sponsor of an Acceptable Plan (as such term is defined below), which agreement may include asset purchase related provisions, with such agreement being acceptable to the Requisite Lenders and the Existing Tranche B Lenders in their sole and absolute discretion.

(vii) On or before May 30, 2017, the Bankruptcy Court shall have entered an order approving the disclosure statement and plan solicitation procedures acceptable to the Requisite Lenders and the Existing Tranche B Lenders.

(viii) On or before July 10, 2017, the Borrower shall have obtained an order from the Bankruptcy Court confirming a Chapter 11 plan of reorganization satisfactory to the Requisite Lenders and the Existing Tranche B Lenders in their sole and absolute discretion (an “**Acceptable Plan**”).

(ix) On or before July 28, 2017, the effective date of the Acceptable Plan shall have occurred in accordance with its terms, and the Borrower shall have emerged from Chapter 11.

(b) Simultaneously with the plan process outlined in the Plan Milestones set forth in Section 5.16(a) (the “**Plan Process**”), the Debtors shall engage in a marketing process designed to ensure the Debtors’ ability to consummate the sale of some or all of Debtors’ assets or new common equity

¹ Capitalized terms used in this **Exhibit 2** have the meanings given to them in the DIP Term Loan Documents.

interests in reorganized BCBG Max Azria Global Holdings, LLC (the “**Purchased Assets**”) in connection with consummation of an Approved Plan to the party determined to have made the highest or otherwise best bid at the Auction (as the same may be extended from time to time with the consent of the Administrative Agent, the “**Marketing Milestones**”).

(i) On March 1, 2017, the Borrower shall have filed a motion (the “**Bid Procedures Motion**”) with the Bankruptcy Court to approve bid procedures and establish the date of an auction to determine the “**Winning Bidder**” for the Purchased Assets (the “**Auction**”). The Bid Procedures Motion will allow for the selection of a stalking horse bidder and entry into a plan support agreement (which agreement may include asset purchase related provisions) with the stalking horse bidder.

(ii) On or before March 10, 2017, the Borrower shall have distributed to the parties identified by an investment banker or other similar consultant (an “**Investment Banker**”) reasonably acceptable to the Administrative Agent informational packages and solicitations for bids, in form and substance reasonably satisfactory to the Requisite Lenders and the Existing Tranche B Lenders, for a sale of the Purchased Assets.

(iii) On or before March 30, 2017, the Bankruptcy Court shall have entered an order approving the Bid Procedures Motion (the “**Bid Procedures Order**”), in form and substance acceptable to the Requisite Lenders and the Existing Tranche B Lenders in their sole and absolute discretion as confirmed in writing. The Bid Procedures Order shall (i) establish a deadline for the submission of non-binding indications of interest for the Purchased Assets (or any subset thereof) of April 7, 2017, (ii) establish a deadline for the submission of binding bids for the Purchased Assets (or any subset thereof) of May 19, 2017, and (iii) provide that a “**Winning Bid**” shall generate amounts sufficient to, and provide for the pay-off of, the DIP Term Loan Obligations or shall otherwise be acceptable to the Requisite Lenders.

(iv) On or before April 8, 2017, the Debtors shall provide the Requisite Lenders and the Existing Tranche B Lenders access to all non-binding indications of interest for the Purchased Assets (or any subset thereof) received by the Debtors or the Investment Banker.

(v) On April 17, 2017, the Requisite Lenders shall make a determination (in their sole and absolute discretion) regarding the acceptability of the non-binding indications of interest and any business plan delivered by the Debtors (the “**Pivot Milestone**”). If (i) the non-binding indications of interest are unacceptable to the Requisite Lenders in their sole and absolute discretion and (ii) the Debtors have otherwise failed to deliver a business plan in form and substance acceptable to the Requisite Lenders in their sole and absolute discretion by April 17, 2017, the Requisite Lenders shall deliver written notice of same, which delivery shall constitute the occurrence of an Event of Default under this Agreement.

(vi) On or before May 24, 2017, the Debtors shall have commenced the Auction for the Purchased Assets (if qualified bids are received).

(c) On or before March 3, 2017, the Borrower shall have obtained approval from the Bankruptcy Court to retain Hilco Merchant Resources, LLC and Gordon Brothers Retail Partners, LLC (collectively, and together with their affiliates, the “**Liquidation Agents**”) to assist the Borrower in conducting going out of business liquidation sales at 120 of the Credit Parties’ and their subsidiaries’ retail store locations (the “**Permitted Store Closing Sales**”) as described in that certain letter agreement governing Inventory Disposition, dated on or about February 1, 2017, by and among the Borrower and the

Liquidation Agents on terms and conditions, including fee consideration, reasonably satisfactory to the Administrative Agent.

(d) On or before April 30, 2017, the Borrower shall have completed the Permitted Store Closing Sales, pursuant to the terms of the relevant documentation.

(e) Simultaneously with the plan process outlined in the Plan Milestones set forth in Section 5.16(a) and Section 5.16(b), the Debtors shall achieve each of the following milestones (as the same may be extended from time to time with the consent of the Administrative Agent in their sole and absolute discretion, the “**Canadian Milestones**”).

(i) On or before March 6, 2017, BCBG Canada shall have obtained approval from the Canadian Court to retain the Liquidation Agents to assist BCBG Canada in conducting going out of business liquidation sales at BCBG Canada’s 51 standalone retail store locations (the “**Canadian Store Closing Sales**”) as described in that certain letter agreement dated on or about February 24, 2017, by and among BCBG Canada and the Liquidation Agents, on terms and conditions, including fee consideration, satisfactory to the Administrative Agent.

(ii) On or before March 8, 2017, BCBG Canada shall have commenced the Canadian Store Closing Sales.

(iii) On or before May 31, 2017, BCBG Canada shall have completed the Canadian Store Closing Sales, pursuant to the terms of the relevant documentation and Canadian Court orders.

The Borrower shall provide the Administrative Agent with any information or materials reasonably requested in connection with the Borrower’s or BCBG Canada’s progress on achieving any Required Milestone.

Exhibit 3

Budget

24 Week Cash Forecast (1/2)

BCBG Max Azria Group, LLC - US Operations

Weekly Cash Flow Forecast

(\$ in 000's)

Month / Year Actual / Forecast Week Ending Saturday	Chinese New Year				CH 11 Filing														13 Weeks Total
	Jan-17 Jan-28	Feb-17 Feb-04	Feb-17 Feb-11	Feb-17 Feb-18	Feb-17 Feb-25	Mar-17 Forecast Mar-04	Mar-17 Forecast Mar-11	Mar-17 Forecast Mar-18	Mar-17 Forecast Mar-25	Mar-17 Forecast Apr-01	Apr-17 Forecast Apr-08	Apr-17 Forecast Apr-15	Apr-17 Forecast Apr-22	Apr-17 Forecast Apr-29					
I. Cash Flows	EOM				EOM	EOM													EOM
Cash Receipts:																			
Retail, Factory, & e-Comm (- CC fees + sales tax)	4,256	4,028	4,630	5,560	7,219	7,178	7,391	7,508	7,234	6,443	5,337	4,712	3,610	2,858	73,708				
Partner Shops (net of percentage rent)	5,875	-	2,433	421	1,430	-	1,860	-	3,399	-	-	2,110	-	4,373	16,024				
Wholesale Operations	719	624	678	1,365	377	459	377	1,028	1,683	550	404	524	1,866	1,944	11,880				
Licensing	-	-	-	580	325	-	-	-	-	250	2,000	-	-	-	3,155				
International Affiliates	218	180	106	-	-	-	-	-	-	-	-	-	-	-	286				
Other Cash Receipts	17	16	8	156	-	-	-	-	-	-	-	-	-	-	180				
Total Cash Receipts	11,085	4,848	7,855	8,082	9,351	7,638	9,628	8,536	12,316	7,243	7,741	7,346	5,476	9,174	105,234				
Operating Disbursements																			
Merchandise Vendors	1,008	-	1,621	3,454	-	2,788	2,788	2,788	2,788	1,931	1,927	1,960	-	-	22,047				
Fabric Cost	-	-	-	-	-	1,000	1,000	1,000	1,000	1,000	732	732	-	1,000	7,464				
Payroll, Payroll Taxes, and Benefits	4,471	2,430	5,022	513	5,000	556	4,583	599	4,736	530	4,627	357	4,856	357	34,164				
Occupancy (Rent & Utilities)	426	331	1,029	894	800	1,300	3,631	1,495	231	392	1,788	3,091	723	186	15,890				
Sales Tax	1,668	197	-	34	-	-	-	1,711	-	-	-	-	2,004	500	4,448				
Customs & Freight	756	12	689	707	505	959	597	520	475	621	421	480	480	783	7,248				
Marketing & Ecommerce	357	71	115	504	340	-	250	250	250	250	600	225	225	225	3,305				
Insurance & Risk Management	16	-	-	-	295	-	260	-	-	310	-	245	-	-	1,110				
Information Technology	303	35	52	-	1,270	-	319	69	69	69	321	87	87	87	2,464				
Contractors / Professionals / Legal	10	732	600	2,051	1,054	1,070	-	-	-	-	3,198	-	-	-	8,705				
Supplies, Maintenance & Other	256	1,484	223	1,850	425	-	350	350	350	400	600	402	400	300	7,133				
Total Operating Disbursements	9,271	5,292	9,350	10,007	9,688	7,673	13,778	8,783	9,900	5,504	14,214	7,578	8,775	3,437	113,979				
Operating Cash Flow	1,813	(444)	(1,495)	(1,925)	(337)	(35)	(4,151)	(247)	2,416	1,739	(6,473)	(232)	(3,299)	5,737	(8,745)				
Non-Operating Disbursements:																			
Interest & Fees-Revolver	-	-	-	-	-	750	-	-	-	-	526	-	-	-	1,276				
Interest & Fees-Term	-	311	-	-	292	-	-	-	-	188	-	-	-	188	978				
Interest & Fees-DIP Loan	-	-	-	-	-	1,575	-	-	-	1,108	-	-	-	677	3,359				
Capex	12	4	-	8	-	-	-	-	-	-	-	-	-	-	12				
Subtotal Non-Operating Disbursements	12	315	-	8	292	2,325	-	-	-	1,295	526	-	-	864	5,625				
Subtotal Restructuring Disbursements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Total Disbursements	9,283	5,607	9,350	10,014	9,980	9,998	13,778	8,783	9,900	6,799	14,740	7,578	8,775	4,301	119,604				
Net Cash Flow	1,801	(759)	(1,495)	(1,932)	(629)	(2,360)	(4,151)	(247)	2,416	444	(6,999)	(232)	(3,299)	4,873	(14,370)				
II. Availability																			
Gross Borrowing Base	80,451	77,078	77,986	82,959	82,924	73,087	72,656	70,087	68,226	62,511	60,680	59,493	56,992	54,278	54,278				
Less: US Revolver Balance	(56,568)	(55,403)	(57,159)	(62,636)	(59,642)	(62,002)	(66,153)	(66,400)	(63,984)	(63,540)	(70,539)	(70,771)	(74,070)	(69,197)	(69,197)				
Less: CA Revolver Balance	(11,591)	(11,161)	(10,955)	(10,818)	(10,589)	(10,348)	(9,850)	(9,019)	(8,160)	(6,516)	(5,588)	(4,616)	(3,662)	(2,427)	(2,427)				
Less: Letters of Credit	(8,775)	(8,775)	(8,286)	(8,286)	(8,286)	(8,286)	(8,286)	(8,286)	(8,286)	(8,286)	(8,286)	(8,286)	(8,286)	(8,286)	(8,286)				
Subtotal Obligations before DIP Funding	(76,934)	(75,339)	(76,400)	(81,740)	(78,517)	(80,636)	(84,289)	(83,705)	(80,430)	(78,342)	(84,413)	(83,673)	(86,018)	(79,910)	(79,910)				
Net Remaining Availability	3,517	1,740	1,587	1,218	4,407	(7,549)	(11,633)	(13,618)	(12,204)	(15,831)	(23,733)	(24,181)	(29,027)	(25,632)	(25,632)				
Add: Bank Cash	1,791	576	668	3,623	-	-	-	-	-	-	-	-	-	-	-				
Total Bank Liquidity	5,308	2,316	2,254	4,842	4,407	(7,549)	(11,633)	(13,618)	(12,204)	(15,831)	(23,733)	(24,181)	(29,027)	(25,632)	(25,632)				
III. ABL Loan Balance																			
OS Check Float	-	2,752	2,342	2,668	2,668	-	-	-	-	-	-	-	-	-	-				
DIP Drawdown	-	-	-	-	-	7,549	11,633	13,618	12,204	15,831	23,733	24,181	29,027	25,632	25,632				
Liquidity Post DIP Loan	-	(436)	(910)	2,174	1,739	-	-	-	-	-	-	-	-	-	-				
ABL Loan Balance Post DIP	76,934	75,339	76,400	81,740	78,517	73,087	72,656	70,087	68,226	62,511	60,680	59,493	56,992	54,278	54,278				
IV. DIP Loan - Cash Collateral Account																			
DIP - Cash Collateral Account																			
Opening Balance	-	-	-	-	-	-	7,451	3,367	1,382	2,796	9,169	1,267	819	973	-				
Draws	-	-	-	-	-	15,000	-	-	-	10,000	-	-	5,000	-	30,000				
Net Disbursements	-	-	-	-	-	(7,549)	(4,084)	(1,986)	(1,414)	(3,628)	(7,902)	(448)	(4,846)	(3,394)	(25,632)				
DIP - Cash Collateral Account Balance	-	-	-	-	-	7,451	3,367	1,382	2,796	9,169	1,267	819	973	4,368	4,368				
DIP Funded Balance																			
Opening Balance	-	-	-	-	-	-	50,000	50,000	50,000	50,000	60,000	60,000	60,000	65,000	-				
Term Loan Tranche-A Balance	-	-	-	-	-	35,000	-	-	-	-	-	-	-	-	35,000				
Net Draws	-	-	-	-	-	15,000	-	-	-	10,000	-	-	5,000	-	30,000				
DIP - Total Funded Loan	-	-	-	-	-	50,000	50,000	50,000	50,000	60,000	60,000	60,000	65,000	65,000	65,000				

24 Week Cash Forecast (2/2)

BCBG Max Azria Group, LLC - US Operations

Weekly Cash Flow Forecast

(\$ in 000's)

Month / Year Actual / Forecast Week Ending Saturday	May-17 Forecast May-06	May-17 Forecast May-13	May-17 Forecast May-20	May-17 Forecast May-27	Jun-17 Forecast Jun-03	Jun-17 Forecast Jun-10	Jun-17 Forecast Jun-17	Jun-17 Forecast Jun-24	Jun-17 Forecast Jul-01	Jul-17 Forecast Jul-08	Jul-17 Forecast Jul-15	Jul-17 Forecast Jul-22	Jul-17 Forecast Jul-29	13 Weeks Total	Post-Petition 22 Weeks Total
I. Cash Flows	EOM														
Cash Receipts:	EOM														
Retail, Factory, & e-Comm (- CC fees + sales tax)	3,166	3,448	3,486	3,486	3,625	3,915	4,053	4,053	4,000	3,643	3,404	3,404	3,404	47,089	99,360
Partner Shops (net of percentage rent)	-	1,915	-	3,802	-	1,927	-	4,013	-	-	2,806	-	5,394	19,858	31,598
Wholesale Operations	892	733	611	1,355	2,204	1,279	2,355	1,656	2,532	880	1,908	2,174	2,026	20,604	29,439
Licensing	250	-	-	150	250	-	-	-	-	250	-	-	-	900	3,150
International Affiliates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts	4,308	6,096	4,098	8,793	6,079	7,121	6,408	9,722	6,532	4,773	8,118	5,578	10,824	88,451	163,548
Operating Disbursements	EOM														
Merchandise Vendors	2,858	2,907	1,565	1,644	1,651	1,719	1,675	1,666	1,622	1,655	1,765	1,783	1,813	24,325	41,296
Fabric Cost	1,061	598	598	598	425	425	425	425	425	639	639	639	639	7,536	15,000
Payroll, Payroll Taxes, and Benefits	4,021	257	3,648	257	3,534	328	3,712	257	3,518	328	3,374	498	3,448	27,180	48,380
Occupancy (Rent & Utilities)	1,177	1,747	723	186	740	2,223	723	186	186	1,170	1,747	723	186	11,716	24,553
Sales Tax	-	-	1,078	-	-	-	984	-	-	-	-	1,410	-	3,471	7,687
Customs & Freight	357	357	1,100	174	173	176	544	-	367	374	1,200	211	212	5,246	10,582
Marketing & Commerce	600	150	150	150	600	150	150	150	600	150	150	150	150	3,300	5,575
Insurance & Risk Management	-	149	-	-	-	326	-	-	50	-	-	-	-	525	1,340
Information Technology	287	87	87	87	183	69	69	69	69	187	87	87	87	1,454	2,561
Contractors / Professionals / Legal	3,086	-	-	-	2,973	-	-	-	-	3,223	-	-	-	9,282	13,550
Supplies, Maintenance & Other	439	314	314	314	439	311	311	311	311	436	314	314	314	4,440	7,592
Total Operating Disbursements	13,886	6,565	9,262	3,409	10,718	5,728	8,593	3,064	7,148	8,162	9,275	5,815	6,848	98,475	178,118
Operating Cash Flow	(9,578)	(469)	(5,164)	5,384	(4,639)	1,393	(2,184)	6,658	(616)	(3,389)	(1,158)	(237)	3,976	(10,024)	(14,569)
Non-Operating Disbursements:	EOM														
Interest & Fees-Revolver	-	-	-	-	-	-	-	-	-	436	-	-	-	436	1,712
Interest & Fees-Term	-	-	-	188	-	-	-	-	188	-	-	-	188	563	938
Interest & Fees-DIP Loan	-	-	-	766	-	-	-	-	784	-	-	-	1,989	3,539	6,898
Capex	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Non-Operating Disbursements	-	-	-	954	-	-	-	-	972	436	-	-	2,176	4,537	9,548
Subtotal Restructuring Disbursements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Disbursements	13,886	6,565	9,262	4,363	10,718	5,728	8,593	3,064	8,120	8,598	9,275	5,815	9,024	103,012	187,665
Net Cash Flow	(9,578)	(469)	(5,164)	4,430	(4,639)	1,393	(2,184)	6,658	(1,587)	(3,825)	(1,158)	(237)	1,800	(14,562)	(24,117)
II. Availability	EOM														
Gross Borrowing Base	51,283	53,538	55,345	56,910	55,811	56,502	56,232	56,511	54,186	54,128	55,333	53,950	54,555	54,555	54,555
Less: US Revolver Balance	(78,775)	(79,245)	(84,409)	(79,979)	(84,618)	(83,224)	(85,409)	(78,750)	(80,338)	(84,163)	(85,321)	(85,559)	(83,759)	(83,759)	(83,759)
Less: CA Revolver Balance	(1,174)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Letters of Credit	(8,286)	(8,286)	(8,286)	(8,286)	(8,286)	(8,286)	(8,286)	(8,286)	(8,286)	(8,286)	(8,286)	(8,286)	(8,286)	(8,286)	(8,286)
Subtotal Obligations before DIP Funding	(88,236)	(87,531)	(92,695)	(88,265)	(92,904)	(91,510)	(93,695)	(87,037)	(88,624)	(92,449)	(93,607)	(93,845)	(92,045)	(92,045)	(92,045)
Net Remaining Availability	(36,953)	(33,993)	(37,351)	(31,355)	(37,093)	(35,009)	(37,463)	(30,525)	(34,439)	(38,321)	(38,274)	(39,895)	(37,489)	(37,489)	(37,489)
Add: Bank Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Bank Liquidity	(36,953)	(33,993)	(37,351)	(31,355)	(37,093)	(35,009)	(37,463)	(30,525)	(34,439)	(38,321)	(38,274)	(39,895)	(37,489)	(37,489)	(37,489)
III. ABL Loan Balance	EOM														
OS Check Float	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIP Drawdown	36,953	33,993	37,351	31,355	37,093	35,009	37,463	30,525	34,439	38,321	38,274	39,895	37,489	37,489	37,489
Liquidity Post DIP Loan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ABL Loan Balance Post DIP	51,283	53,538	55,345	56,910	55,811	56,502	56,232	56,511	54,186	54,128	55,333	53,950	54,555	54,555	54,555
IV. DIP Loan - Cash Collateral Account	EOM														
DIP - Cash Collateral Account	EOM														
Opening Balance	4,368	547	3,507	149	6,145	407	4,991	2,537	9,475	5,561	1,679	1,726	105	4,368	-
Draws	7,500	-	-	-	-	2,500	-	-	-	-	-	-	-	10,000	40,000
Net Disbursements	(11,321)	2,960	(3,358)	5,995	(5,738)	2,084	(2,454)	6,938	(3,913)	(3,883)	47	(1,621)	2,406	(11,857)	(37,489)
DIP - Cash Collateral Account Balance	547	3,507	149	6,145	407	4,991	2,537	9,475	5,561	1,679	1,726	105	2,511	2,511	2,511
DIP Funded Balance	EOM														
Opening Balance	65,000	72,500	72,500	72,500	72,500	72,500	75,000	75,000	75,000	75,000	75,000	75,000	75,000	65,000	-
Term Loan Tranche-A Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	35,000
Net Draws	7,500	-	-	-	-	2,500	-	-	-	-	-	-	-	10,000	40,000
DIP - Total Funded Loan	72,500	72,500	72,500	72,500	72,500	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000